

Effective from 5 February 2010

## Introduction

- (1) Volksbank CZ, a.s. (hereinafter referred to as the "Bank"), Company ID No. 25083325, entered in the Commercial Register maintained by the Municipal Court in Prague, Section B, file no. 4353, issues in accordance with the provisions of Section 273 of Act No. 513/1991 Coll., the Commercial Code, as subsequently amended, the General Business Terms and Conditions of Volksbank CZ, a.s. (hereinafter referred to as the "Terms and Conditions") that establish binding rules for the execution of all types of banking transactions and services between the Bank and its Clients and comprise an integral part of each Agreement concluded between the Bank and Client.
- (2) Should the provisions of an Agreement on a particular banking transaction concluded between the Bank and the Client or the provisions of the separate terms and conditions for a selected product regulate any matter differently from the general treatment stipulated in these Terms and Conditions, then the provisions of such Agreement or separate business terms and conditions shall prevail.
- (3) These Terms and Conditions and other documents of the Bank may be translated into foreign languages. Unless agreed otherwise, the Czech-language version shall be decisive in case of a dispute.
- (4) Any terms used in the text of the Terms and Conditions that are written with capitalized letters are used in their meanings specified in Article II of Part Six (Definition of terms) of these Terms and Conditions.

## Part One: General Provisions

### Article I. Banking secrecy

- (1) All banking transactions, financial services (including balances of Accounts and deposits) are subject to banking secrecy pursuant to Section 38 of Act No. 21/1992 Coll., on Banks, as subsequently amended. Information which is subject to banking secrecy can be disclosed by the Bank without the consent of the Client only in cases provided for by law and upon a written request made by authorities and persons authorized to do so by law.
- (2) When carrying out its obligations, the Bank shall proceed with discretion. The Bank is authorized to disclose to the interbank information system the bank account information and identification data of the Client, as well as information testifying to the Client's creditworthiness and trustworthiness. The Client has the right to review such information as is kept regarding him or her in a relevant database if it concerns his or her person or a legal entity that he or she represents.

### Article II. Identification of the Client

- (1) When entering into Agreements and at any time during the term of a business relationship the Client is obliged to prove his or her identity by providing the Bank with a valid form of identification (if a private individual) or to provide the Bank with documentation proving its establishment and legal existence (if a legal entity). The documents presented for the purpose of identifying the Client must be presented in the original or, as the case may be, in an officially verified copy, if this is customary. The Client expressly is aware that should he or she not provide identification data and cooperation in the Bank's identification of the Client in the extent stipulated by law the Bank shall be obliged to refuse to provide a requested banking transaction to the Client.
- (2) The Bank is not obliged to accept presented abstracts from the Commercial Register (or other similar certificates on incorporation into the appropriate public register if they are older than 3 (three) months.
- (3) The Client shall deal with the Bank in person, through the statutory body, or, as the case may be, through another by a power of attorney. If the Client delegates another to act in his or her behalf by a power of attorney, the Client's signature on the power of attorney must be officially verified (unless the power of attorney was granted in the presence of an employee of the Bank).

### Article III. Deeds and documents submitted to the Bank

- (1) In case that the Client presents to the Bank documents prepared in other than the Czech or Slovak language, the Bank is entitled to request from the Client a certified translation containing the translator's certification executed at the Client's expense.
- (2) In case that the Client presents to the Bank documents containing verification by a foreign authority, the Bank is entitled to request an additional verification (apostille certificate or superlegalization) on the condition that the Czech Republic has not concluded an agreement with the respective country on mutual legal assistance and which provides for mutual recognition of public deeds.
- (3) The Bank is not responsible for the authenticity, completeness, validity and objective accuracy of documents presented by the Client, unless it has expressly assumed such responsibility.

### Article IV. Information obligations of the Client in relation to the Bank

- (1) Depending upon the type of transaction provided, the Bank is entitled to require that the Client present documents or information needed properly to fulfill its contractual and legal obligations (such as documents relating to the Client's business activities, its ownership structure, and the like).

- (2) Unless otherwise agreed, the Client is obliged, promptly and in a demonstrable manner, to notify the Bank of all changes to the data stated in the Agreement or related to the Agreement. The Client is obliged in particular to inform the Bank of any change of name and surname, business name, correspondence address, address of a registered office or residence, and of any change of persons authorized to act on behalf of the Client.
  - (3) The Client is obliged to notify the Bank promptly and in writing of any circumstances which could affect the fulfillment of his or her obligations to the Bank. This is understood to include, for example, information about the initiation of an insolvency proceeding, execution of a distress warrant, entry into liquidation, sale of the company, change in the company's legal form or merger, etc.
  - (4) The Client is obliged to notify the Bank promptly and in writing of any circumstances which could lead to unjustified enrichment of third parties. Such circumstances are understood to include, for example, loss or theft of personal documents, a checkbook or Payment Card issued by the Bank to a cardholder, loss of the Client's company stamp, etc.
  - (5) The Client is obliged to notify the Bank in writing of such circumstances as link the Client with other Clients of the Bank into an economically related group as defined by the relevant measures of the Czech National Bank or which would make the Client a person or entity with a special relationship to the Bank as defined under Section 19 of Act No. 21/1992 Coll., on Banks, as subsequently amended.
  - (6) Should the Bank so request, the Client is obliged to inform the Bank as to the origin of his or her funds and, if need be, to provide additional information that the Bank should identify within the extent stipulated by law.
- (3) If funds of multiple parties are recorded to one Account, then each party shall be provided with compensation for the insured claim in an amount equal to what would be provided in case each of these parties had its funds in his or her own account. The Account Holder is obliged to notify the Bank of such circumstance in writing upon the opening of the Account (or at the time of the most recent operation involving an already existing Account), to identify these parties, to evidence the proportional share of each of such parties, and to prove the veracity of such data.

#### Article VI. Prices for services

- (1) Unless otherwise agreed, the Bank shall charge for its services prices in accordance with the List of Fees for the provision of financial and business services (hereinafter referred to as the "List of Fees") valid as of the date of a service's provision. The Client undertakes to pay these fees properly and on time. The Bank is entitled to propose to the Client a change in the List of Fees under conditions and in a manner pursuant to Article III. Changes in the Agreement/Terms and Conditions of Part Six of these Terms and Conditions.
- (2) In addition to the agreed interest and fees, the Client is also charged the justified costs and outlays arising from concluding, changing and terminating an Agreement, and in particular costs for payment of court, administrative or other fees as well as costs expediently incurred for legal services, notaries, experts, and translators or interpreters.
- (3) Unless agreed otherwise, fees for services provided by the Bank shall be payable immediately and the Bank shall debit the fee from the Client's Account maintained at the Bank as of the respective day.
- (4) If the fee for the Bank's provision of services is agreed as a fixed amount for a certain period, then, in the case of withdrawal by notice from a Payment Services Agreement, the Bank shall receive only the proportionate part of the fee representing the period until the respective Agreement shall be terminated. As the case may be, the Bank shall transfer the respective part of the fee to the Client's Account or transfer it according to his or her instructions.

#### Article V. Insuring amounts receivable from deposits

- (1) In accordance with law, all amounts receivable from deposits (including interest) in the Czech or in a foreign currency held in Accounts, savings books, or deposits confirmed by certificates of deposit, deposit slips or other similar documents are insured. The system of insuring deposits does not apply to bills of exchange and other securities. The amount of compensation to the entitled party for an insured claim is stipulated by Act No. 21/1992 Coll., on Banks, as subsequently amended.
- (2) If the owner of funds in an Account is a party other than the Account Holder, then compensation for an insured claim for a deposit shall be provided to the actual owner. The Account Holder shall be obliged to notify this fact to the Bank upon the opening of the Account, or at the time of the most recent operation involving an already existing Account. The Account Holder is obliged to provide to the Bank identification data regarding the actual owner of funds in the Account and to the extent stipulated by law.

#### Article VII. Interest

- (1) The Bank pays interest on funds in an Account according to the interest rate arranged in an Agreement. Unless the interest rate or the way of its calculation is arranged in the Agreement, the interest rate announced by the Bank in the Interest Terms for Deposits as of the day of concluding the Agreement for the respective currency, product and, as the case may be, account balance, shall be used. Current Interest Terms for Deposits are available in the business premises of all the Bank's Points of Sale, as well as at the Bank's website [www.volksbank.cz](http://www.volksbank.cz) in the section Charges and rates/Rates of interest.
- (2) The Bank is entitled unilaterally to change a currently valid interest rate in accordance with a change in a Reference Interest Rate.

- (3) The Bank is entitled to decrease/increase the currently valid interest rate as appropriate, and usually with effect from the first Banking Business Day of the calendar quarter according to the Reference Interest Rate announced as of the fifth Banking Business Day before the end of the calendar quarter. The Bank is entitled to change the valid interest rate repeatedly during the course of the respective calendar quarter if the Reference Interest Rate decreases/increases from the day of the last change in interest rates by 0.25 (twenty-five hundredths) or more percentage points. The calculation of an increase/decrease in an interest rate is derived from the Reference Interest Rate used in the previous change compared with the current Reference Interest Rate and in consideration of developments on financial markets.
  - (4) The Bank shall inform the Account Holder of changes in the interest rate in the form of a notification that is accessible in the business premises of all the Bank's Points of Sale, as well as at the Bank's website [www.volksbank.cz](http://www.volksbank.cz) in the section Charges and rates/Rates of interest.
  - (5) Credit interest is calculated using the "actual number of days/365" convention. The Bank credits interest in the currency in which the Account is held, as of the last Banking Business Day of the calendar quarter and of the date of terminating an Agreement.
  - (6) Debit interest is calculated by the "actual number of days/360" convention. The Bank debits interest in the currency in which the Account is held, as of the last Banking Business Day of the calendar quarter and of the date of terminating an Account.
  - (7) In calculating daily interest, the resulting figure is rounded off to two decimal places. If the calculated daily interest is lower than 0.005 (five thousandths) in the currency of an Account, then the Bank does not credit interest.
  - (8) The earning of interest on funds in an Account ends as of the day preceding the day of debiting funds from the Account. Interest begins to be earned on funds upon crediting funds to the Account. The initial or, as the case may be, ending day of earning interest is indicated in Account statements as the value date.
  - (9) Interest earnings from funds in the Account is taxed by the Bank according to the valid legal regulations.
- (2) The Bank is entitled unilaterally to change the interest rate for unauthorized debit balances on current accounts. A change in the debit interest shall be made in a neutral manner and the Bank shall inform the Client of the change to the interest rate in the form of a notification available in the business premises of all the Bank's Points of Sale as well as at the Bank's website [www.volksbank.cz](http://www.volksbank.cz) in the section Charges and rates/List of fees.
  - (3) The Bank is entitled without prior notice to use the Client's funds deposited at the Bank to settle its amounts receivable due from the Client, and in particular funds in current or deposit accounts maintained in any currency, regardless as to for what legal reason such receivables arose. It is also possible in this way to set off amounts receivable that are beyond the statute of limitations, not yet payable, or cannot be subject to execution of a judgment. If the Bank maintains multiple accounts for the Client, it can set off its amounts receivable from the Client against its amounts payable to the Client and carry out settlement using any of his or her Accounts. In case mutual obligations are denominated in different currencies, the exchange rate announced by the Bank as of the day of setting off shall be used to convert the amounts receivable.
  - (4) If the Bank has multiple receivables due from the Client, it is entitled to determine the order of their settlement, unless agreed otherwise.

#### Article IX. Delivery of notices and methods of communication

- (1) Unless the nature of the banking service provided, the nature of the matter, or an express agreement demands otherwise, it is obligatory that legally binding mutual communication between the Client and the Bank be carried out in written form.
  - (2) The Bank shall send to the Client written documents
    - a) via the electronic access arranged with the Bank by a separate Agreement on electronic communication or in other form of secure electronic communication (for example via a data box pursuant to Act No. 300/2008 Coll., on electronic acts and authorized document conversion, as subsequently amended, or
    - b) through a holder of a postal license to his or her address stated in the contractual documents, unless agreed otherwise.
  - (3) In case that written documents are sent to the Client through a holder of a postal license and he or she returns such documents as "undelivered," the delivery becomes effective as of the day of the documents' return to the Bank. In case that the written documents are sent via secure electronic communication, they are regarded as delivered at the time that the Bank receives notification of its delivery to the addressee's server. Should the Client agree to depositing of written documents at the Bank's counter, the delivery date shall be considered as the date when the correspondence is deposited at the counter of the branch maintaining the Client's Account.
  - (4) Should the Client arrange with the Bank access to any information by means of the Infoterminal, the Client can find the given information (including its printing) upon inserting a Payment Card or Infocard into any of the Infoterminals.
- (1) The Client is obliged to ensure a sufficient amount of funds in his or her Account or other agreed account in order to provide for timely payment of his or her amounts payable to the Bank when due. The Bank is entitled to use the funds in the Account to settle its receivables due from the Client, regardless of whether or not there are sufficient funds in the Account to be used. The Client is obliged immediately to settle any unauthorized debit balance in the Account caused by overdrawing the funds in the Account, otherwise the interest rate for unauthorized debit balances on current accounts shall be charged that was declared by the Bank in the Price List as of the day of concluding the Agreement. Debit balance interest is due always at the last Banking Business Day of the calendar quarter and in case it is not paid the Bank is entitled to add this to the principal owed.

#### Article VIII. Payment of amounts due to the Bank

- (5) Should the Client arrange with the Bank access to any information by means of an electronic archive, the Client can find the given information through an electronic access arranged with the Bank in a separate agreement on electronic communication.

#### Article X. Complaints and claims

- (1) The Bank shall handle complaints and claims in accordance with the Bank's Claims Code. The Claims Code is available in the business premises of all the Bank's Points of Sale and is likewise published on the Bank's website [www.volksbank.cz](http://www.volksbank.cz) in the section The bank/Business Terms and Conditions.

#### Article XI. Branches and Volksbank SHOPS

- (1) The Bank provides bank services to the Client by means of both the branch network and the Volksbank SHOPS network. Branches are Points of Sale where an unlimited range of services is provided. Volksbank SHOPS are Points of Sale where the range of services provided is limited. The extent of such limitations is specified in the Particular Business Conditions for the Volksbank SHOPS Network which are available at all Volksbank SHOPS and branches and also on the Bank's website.
- (2) The branches comprise the place for fulfilling the undertakings arising from the contractual relations between the Bank and the Client. A Volksbank SHOP can solely be a place of fulfillment for cases stipulated in the Particular Business Conditions for the Volksbank SHOPS Network.
- (3) Should the Bank close a Point of Sale, the Bank shall publicize such information at least 30 (thirty) days prior to doing so by posting the information in the business premises of the relevant Point of Sale of the Bank so that it is accessible to the Client. The Bank shall likewise inform about this fact also at its website [www.volksbank.cz](http://www.volksbank.cz).

### **Part Two: Accounts**

#### Article I. Establishing and maintaining Accounts

- (1) The Bank establishes and maintains Accounts for residents and nonresidents, private individuals as well as legal entities, in Czech crowns or in currencies stated in the Exchange Rate List in accordance with international agreements and legal regulations valid in the Czech Republic.
- (2) By way of a Current Account Agreement, the Bank undertakes to establish and maintain an Account for an Account Holder under the agreed conditions and the Account Holder is obliged to pay for the services provided by the Bank at the agreed price. The Bank may establish a minimum deposit amount, minimum account balance, and minimum turnover of the Account.
- (3) The Bank shall convert all transactions credited to the Account to the currency in which the Account is maintained.
- (4) The Current Account Agreement does not cease to exist upon the death of the Account Holder. If the Bank credibly learns that the Account Holder has died, on the following day the Bank shall stop only such payment transactions from the Account for which the Account Holder expressly so stipulated. The Bank continues in executing other payment

transactions on the basis of orders given to it by the Account Holder and persons authorized by him or her. If it is credibly proven to the Bank that a trustee for the estate was appointed and is entitled to manage the Account of the deceased Account Holder, he or she shall have the rights and obligations of the Account Holder and the Bank shall follow his or her instructions. Upon the termination of the inheritance proceedings, the Bank shall dispose with the Account in accordance with the legitimate decision of the court from the probate proceedings.

#### Article II. Disposition with the Account and funds in the Account

- (1) The Account Holder is entitled to dispose with the Account and the funds therein. A party other than the Account Holder may dispose with the Account solely on the basis of a special power of attorney granted by the Account Holder, upon which his or her signature is officially authenticated. The official authentication is not required if the power of attorney is granted in the presence of an employee of the Bank.
- (2) Disposing with the funds in the Account shall be authorized by the person stated and signed in the signature specimen submitted by the Account Holder to the Bank and which forms an inseparable part of the Current Account Agreement or persons authorized by the Account Holder to dispose with the funds in the Account by a special power or attorney with the officially authenticated signature of the Account Holder. Official authentication is not required if the power of attorney is granted in the presence of an employee of the Bank. The Account Holder shall be liable for the authenticity of the signature of another signatory.
- (3) The signature specimen must be made on the Bank's form and signed by the Account Holder and other signatory in the presence of an employee of the Bank. Signature specimens, their changes and cancellation are binding for the Bank as of the Banking Business Day following their making/change/cancellation, unless the Account Holder shall agree a different effective date with the Bank. The authorization of the other signatory shall not cease to exist upon the death of the Account Holder unless it is clear from the content of the signature specimen that it should exist only during the life of the Account Holder.
- (4) If the Account is open for several parties, each of these shall have the position of an Account Holder. Co-holders shall dispose with the account jointly and their proportions in the Account shall be equal, unless agreed otherwise.

#### Article III. Account statements

- (1) The Bank informs the Account Holder about all executed payment transactions by means of an Account statement that the Bank provides or makes accessible in such way and time as agreed in the Current Account Agreement.
- (2) Making the Account statement accessible by means of the Infoterminal is a standard way of providing the Account statement to the Account Holder. In case another way of providing the Account statement shall be agreed, such way is regarded as above-standard and may be charged for by the Bank in accordance with the Price List.

- (3) Shall the Bank not be able to deliver to the Account Holder written Account statements through a holder of a postal license, the Bank is not further obliged to send the statements in this way and shall be entitled to provide subsequent Account statements by means of the Infoterminals while maintaining the agreed frequency.
- (4) If within the period for which an Account statement is to be issued no payment transaction or other operation occurred on the Account, no Account statement will issued by the Bank.
- (5) Unless otherwise agreed with the Account Holder, the other signatories do not receive Account statements or other correspondence from the Bank.

#### Article IV. Account settlement

- (1) The Bank shall debit funds from the Account primarily based on the Client's payment order or on the Client's approval of a direct-debit payment method. The Bank shall be further entitled to debit funds from the account in case of:
  - a) setting off or debiting the Bank's receivables from the Account Holder, particularly for the following reasons:
    - aa) payments of prices for provided bank services, payments of costs and interest, settlement of the Bank's receivables incurred due to different reasons;
    - ab) settlement of receivables incurred due to an unauthorized debit on the Account;
    - ac) settlement of receivables incurred due to payment of funds for the Account Holder by the Bank to a third party for a bank guarantee (collateral), taking over or assuming an obligation, etc.
  - b) corrective settlement of the Bank or for another financial institution in accordance with valid legal regulations;
  - c) reception of a request from a payer's Bank for return of the amount of an authorized debit;
  - d) a lawful and enforceable decision by an entitled authority;
  - e) other circumstances assumed by the Agreement or the valid legal regulations.

#### Article V. Termination of a Current Account Agreement and cancellation of the Account

- (1) A Current Account Agreement is terminated in particular by:
  - a) lapsing of the term for which the Current Account Agreement was concluded;
  - b) agreement of the contractual parties;
  - c) a written notice of termination given by one of the contractual parties;
  - d) the Bank's withdrawal from the Current Account Agreement with immediate effectiveness.
- (2) The Account Holder shall be entitled at anytime to withdraw from a Current Account Agreement by a written notice and without needing to state a reason. If a Payment Card was issued to the Account by means of which it is possible to execute payment transactions on this Account only, the notice period is 1 (one) month and it shall commence as of the day of delivery of the notice to the Bank, unless a later date of its effectiveness was provided in the notice. In

other cases the Current Account Agreement is terminated as of the Banking Business Day following the day of delivery of the notice to the Bank, unless a later date of its effectiveness was provided in the notice. Orders and instructions that are to be executed until the day preceding the day of termination of the Current Account Agreement remain valid and will be executed.

- (3) The Bank is entitled to withdraw from a Current Account Agreement concluded for an indefinite period by a written notice. The notice period is 2 (two) months and it shall commence as of the first calendar day following its delivery to the Account Holder.
- (4) The Bank is entitled to withdraw from a Current Account Agreement with immediate effectiveness if the Account Holder breaches conditions for the Account's maintenance or if the Account Holder takes serious actions as a result of which the trust between the Account Holder and the Bank is impaired (nonfulfillment of financial obligations to the Bank, substantial breach of other Agreements entered into with the Bank, presentation of stolen, forged or illegally altered documents, presentation of false written statements, breach of generally binding regulations, lack of cooperation, etc.).
- (5) Upon termination of a Current Account Agreement, all of the Bank's unpaid amounts receivable arising from the given agreement become immediately due and payable, unless agreed otherwise. Upon termination of the Current Account Agreement, the Bank shall settle without undue delay the amounts receivable and payable relating to the Account, and in particular payment transactions executed by means of Payment Cards and checks, if these were used up until the date of the Current Account Agreement's termination. The Bank is entitled to set off its receivables from the Account Holder. For his or her part, the Account Holder is obliged to return to the Bank all unused blank check forms, all Payment Cards issued to the Account, cards for using the Infoterminal, and the program or other devices for products that provide electronic communication with the Bank. Should any payments be received to the credit of the Account after the Current Account Agreement expires, the Bank shall return such funds to the payer.
- (6) Upon the settlement of amounts receivable and payable relating to the Account the Bank shall cancel the Account. Any credit account balance of the cancelled Account shall be disposed with according to the written instructions of the Account Holder. Unless the Account Holder determines otherwise as to how to dispose with the Account balance, the Bank shall keep records as to the amount of funds up to the time when the claim for the release of this amount is forfeited and shall not pay interest on this amount. The Bank does not inform the Account Holder of the date of the Account's cancellation, unless agreed otherwise.
- (7) Upon termination of the Current Account Agreement, the responsibility of the Account Holder to settle all amounts payable arising from the respective agreement shall not cease to exist and at the same time the provision on interest charged for an unauthorized debit account balance is not affected and does not cease to exist.

- (8) Upon termination of the Current Account Agreement, there terminate likewise other Agreements the subject of which is mere provision of services associated with or designated for the Account which is to be cancelled. If such Agreement shall also apply to a different Current Account Agreement, only the part related to the Account which is to be cancelled is terminated.

#### Article IX. Specific products to Accounts

- (1) Based on special agreements, other products are provided to the Account Holder and to his or her Account (such as Payment Cards, checkbooks, message coder, electronic banking products). Specific rules for the provision of these services are contained in the relevant Agreement and in the special business terms and conditions of the Bank.

### **Part Three: Time Deposits**

#### Article I. General conditions for maintaining time deposits

- (1) The Bank establishes and maintains time deposits in CZK or in other currencies as established by the Bank.
- (2) A time deposit is always arranged for a defined fixed term. The Client is not entitled to dispose with the funds in the deposit account prior to the end of the deposit's fixed term.
- (3) The Bank pays interest on the funds in the deposit account in accordance with the agreed rate. If the interest rate is not established by an Agreement, the interest rate paid on the funds in the deposit account is that announced by the Bank as of the day of the deposit's establishment in the Interest Terms for Deposits and valid for the given product, currency, amount of deposit and term. The Interest Terms for Deposits are posted at all branches of the Bank and are likewise available on the Bank's website [www.volksbank.cz](http://www.volksbank.cz) in the part "Charges and rates/Rates of interest". The interest rate does not change prior to the end of the fixed term. Interest is payable after the end of the fixed term and is added to the deposit or transferred to the Client's Account.
- (4) In case that automatic renewal of the deposit after the end of the fixed term is agreed, then after the end of the fixed term the deposit is automatically prolonged for another identical fixed term, unless the funds are withdrawn as of the day of the deposit renewal. In the next fixed term, interest is earned on the funds in the deposit account according to the current interest rate established by the Bank as of the day of the deposit's renewal in the Interest Terms for Deposits and valid for the given product, currency, amount of deposit and term. It is possible to increase or partially withdraw the deposit as of the day of the deposit's renewal.
- (5) If the amount of the deposit exceeds a limit designated by the Bank or the equivalent thereof in foreign currency, it is possible to agree with the Bank on an individual interest rate and conditions for earning interest.

#### Article II. Standard time deposit

- (1) A standard time deposit is concluded by means of a written agreement and is maintained in a deposit account.

- (2) The provisions of Part Two of these Terms and Conditions apply as appropriate for the establishment, maintenance and cancellation of standard time deposits.

#### Article III. Special time deposits

- (1) For a Client having an Account maintained at the Bank, the Bank may open a special deposit account as a subaccount to his or her Account, based on the Client's application submitted by telephone, fax, direct banking channels, or another method agreed in advance. The Client is obliged to state in the application basic data necessary for the establishment of a fixed time deposit (type, term, amount and currency of the deposit, and the number of the corresponding Account).
- (2) A special time deposit cannot be disposed with. After the end of the fixed term, the Bank shall transfer the funds to the Client's Account to which the deposit subaccount was opened.
- (3) If the amount of deposit exceeds CZK 1,000,000 (one million) (or the equivalent thereof in a different currency), or based on the Client's application, the Bank shall confirm the opening of a deposit account in writing (confirmation).

### **Part Four: Cash and Noncash Payment Operations**

#### Chapter I: General provisions for payment operations

- (1) The Bank receives and credits to Accounts deposits and payments, and from the funds in the Accounts it executes payments and transfers (hereinafter just "payment transactions"). This part of the Terms and Conditions states the general conditions for the Bank's executing payment transactions. Detailed conditions are stated in the Payment Services Description that the Client always receives before concluding a Payment Services Agreement.
- (2) Payment transactions are executed in cash and noncash forms based on the Client's payment orders submitted either in writing or by means of other agreed payment instruments. The Client is entitled to dispose with funds in the Account only up to amount of the Available Balance in the Account.
- (3) The Bank executes payment transactions based on a unique identifier, which is
  - a) in domestic payment operations the banking connection in the format of account number and bank code,
  - b) in foreign payment operations the banking connection in IBAN and BIC format, or in the format of Account number and BIC, or in the format of account number and routing code.
- (4) In addition to the services stated in paragraph 1, the Bank also provides the following:
  - a) foreign exchange operations,
  - b) purchase and sale of traveler's checks,
  - c) acceptance and payment of checks.

**Article I. Receipt of a payment order by the Bank and its payment**

- (1) The Bank executes payment transactions within agreed times which are counted from the date when a payment order is received by the Bank (hereinafter just "D"). The time of receiving a payment order is the time when the Bank receives a payment order directly from the payer or at the initiative of the recipient, unless hereinafter stated otherwise.
- (2) If a payment order is submitted to the Bank near the end of its Banking Hours, the time of receipt of the payment order is the beginning of the following Banking Hours. The time periods are established in the table below. Hereinafter they are referred to as so-called "cutoff times" and they are considered to be times near the end of the Banking Hours pursuant to the provisions of paragraph 4, Section 104 of the Payment System Act.

Type of payment transaction	Cutoff times
<b>Foreign payment transaction to another bank</b>	
- incoming payment (based upon receipt of documents)	no later than 4:00 p.m.
- outgoing payment based upon written payment order	no later than 12:00 noon
- outgoing payment presented electronically	no later than 2:00 p.m.
- urgent outgoing payment	no later than 10:00 a.m.
<b>Foreign payment transaction within the Bank</b>	no later than 3:00 p.m.
<b>Domestic payment transaction to another bank</b>	
- incoming payment (based upon receipt of documents)	no later than 4:15 p.m.
- outgoing payment based upon written payment order	no later than 3:00 p.m.
- outgoing payment presented electronically	no later than 5:00 p.m.
- urgent outgoing payment	no later than 10:00 a.m.
<b>Domestic payment transaction within the Bank</b>	
- outgoing payment based upon written payment order	no later than 3:00 p.m.
- outgoing payment presented electronically	no later than 5:00 p.m.

- (3) If a payment order submitted to the Bank is payable later than on the day of its submission, the payment date determined by the Client is regarded as the date of the Bank's receipt of the payment order. In case the payment date of a payment order is a nonbanking business day, the time of the receipt of the payment order falls on the next Banking Business Day following the payment date. It is possible to submit to the Bank a payment order up to 90 (ninety) days before its payment date.

- (4) The payment date is the date as of which the funds are to be debited from a Client's Account based on his or her order. The payment date cannot be a date preceding the date of the receipt of a payment order. If the payment date stated in a payment order is a date preceding the date of submission of a payment order to the Bank, or if the payment date is not stated therein, the payment date of a payment order is regarded as the date of its receipt by the Bank.

**Article II. Terms and conditions for the Bank to execute a payment order**

- (1) The Bank will execute a payment order only in case the following conditions are met simultaneously:
  - a) a payment order is properly completed and it complies with other requirements agreed with the Bank,
  - b) a payment order was submitted to the Bank in a manner and under conditions agreed with the Bank,
  - c) at the time of executing a payment order there is a sufficient Available Balance in the Account and the Account is not blocked,
  - d) a payment order is authorized by the Client in a manner agreed with the Bank,
  - e) other conditions stipulated by the legal regulations are met.
- (2) A written payment order must contain all mandatory particulars of a payment order established by the Bank, completed in legible writing. A written payment order must be submitted on the Bank's standard form, unless established otherwise by the Bank. Furthermore, the Bank is entitled to refuse execution of a payment order if:
  - a) the payment order or some of its parts are damaged, overwritten or illegible,
  - b) the payment order submitted on the Bank's standard form is not completed according to the sample script provided in the form,
  - c) the written payment order is not completed in a dark blue or a black script, or some boxes on the payment order form are stricken through, or the payment order is completed with a colored highlighter.

Details as to the mandatory requirements and other particulars concerning payment orders are specified in the Payment Services Description.

- (3) It is possible to submit a payment order to the Bank in person at one of the Bank's Points of Sale within its Banking Hours as well as by other means agreed with the Bank (e.g. by post or fax while using an agreed message coder or online via an electronic banking application provided by the Bank).
- (4) If there are insufficient funds in the Account for executing a payment order, or the Account is blocked, then:
  - a) In cases of written payment orders, standing orders and authorized debits (regardless of the form of their submission), the Bank verifies compliance with conditions for execution of a payment order also in the course of the following 4 (four) Banking Business Days, and, in case the conditions for execution of a payment order are met, the Bank shall execute the payment order as of the given date. Only a date when all

conditions for execution of the payment order are met is regarded as the time of receipt of such payment order.

- b) In cases of one-time domestic payment orders submitted via an electronic banking application, the Bank verifies compliance with conditions for execution of a payment order only until 12:00 noon as of the Banking Business Day following the payment date of the payment order. Only the date when all conditions for execution of a payment order are met is regarded as the time of receipt of such payment order.
- c) In cases of foreign payment orders submitted via an electronic banking application, the Bank verifies compliance with conditions only until 3 p.m. as of the payment date of a payment order.
- d) In cases of SIPO payments the Bank does not execute the payment order and does not subsequently verify compliance with the conditions for its execution.

If multiple payment orders are payable as of the same date and the funds in the Account are insufficient for their execution, the Bank determines the order of their execution. Partial execution of a payment order by the Bank is not possible.

- (5) A payment order is authorized if the Client approved of it in a manner agreed with the Bank. A written payment order is authorized if signed according to the signature specimen to a relevant Account valid at the time of submission of the payment order to the Bank, or, if agreed, a payment order must be marked with an agreed security code at the same time. Authorization of a payment order submitted online via an electronic banking application provided by the Bank takes place under conditions agreed between the Client and the Bank in a special agreement.
- (6) If during 3 (three) consecutive calendar months a debit order or a standing order is not executed due to insufficient funds in the Account, the Bank is entitled to cancel this direct debit payment method or standing order and transactions based upon this will not be executed by the Bank. The Bank always informs the Client of such cancellation in writing.
- (7) The Bank may refuse to execute a payment order should its execution cause a breach of the legal regulations or should a payment order be submitted in a way raising doubts as to its legitimacy and validity.
- (8) In a case when conditions for execution of a payment order have not been met, the Bank is not responsible for damage arising from its non-execution.

#### Article III. Time periods for the Bank to execute a payment order

- (1) The Bank shall credit to the recipient's Account incoming domestic and foreign payments, including cash deposits, as of the day of receipt of the funds to be credited, within the period D+0.
- (2) Noncash payments between Accounts maintained by the Bank regardless of the currency of the transfer
  - a) shall be debited from the payer's Account by the Bank as of the date of receipt of a payment order by the Bank, within the period D+0,
  - b) shall be credited to the recipient's Account as of the date of receipt of a payment order by the Bank, within the period D+0.

(3) Outgoing domestic and foreign noncash payments other than in paragraph 2 of this Article:

- a) shall be debited from the payer's Account by the Bank as of the date of receipt of a payment order by the Bank, within the period D+0
- b) shall be executed by the Bank in such way as to ensure that the funds were credited to the payer's bank account or to the correspondent bank's account as of the Banking Business Day following the date of receipt of a payment order by the Bank, within the period D+0

(4) A payment order shall be executed by the Bank within the time periods stated above in this Article only on the condition that it was submitted to the Bank at latest within the so-called cutoff times. Only Banking Business Days are regarded as "D" day and are counted also as those days added to D.

(5) In cases of incoming foreign payment transactions the Bank is entitled, at the latest on the Banking Business Day following the day of crediting the payment to the Client's Account, to debit from the Client's Account the amount of the payment transaction credited by the Bank, should the stated amount not be paid to the Bank's Account by the payer's Bank.

#### Article IV. Refusal of the Bank to execute a payment order

- (1) If the agreed conditions for execution of a payment order are not met, or if the execution of an order would contradict the legal regulations, the Bank is entitled to refuse its execution.
- (2) The Bank informs the Client of the refusal to execute a payment order within time periods established by the legal regulations, which means:
  - a) the Bank informs the Client of non-execution of a written payment order, standing order or authorized debit (regardless of the form of their submission), unless agreed otherwise,
  - b) the Bank informs the Client via electronic access agreed with the Bank in a special agreement of non-execution of a payment order submitted to the Bank via electronic communication.

If possible, the Bank also informs the Client of reasons for the refusal and of possible remedies. For providing access to information in accordance with this Article, the Bank is entitled to charge the Client a fee according to the Price List.

#### Article V. Retraction of a payment order by the Client

- (1) In agreement with the Bank, the Client may retract a payment order (the exception being an authorized debit) even after its receipt by the Bank, but solely on the condition that the payment has not yet been sent from the Bank, or, in the case of a transfer within the Bank, it has not yet been executed.

## Article VI. Exchange rates used by the Bank

- (1) The exchange rates used by the Bank are accessible to the Client at all branches of the Bank as well as on the Bank's website [www.volksbank.cz](http://www.volksbank.cz). The Bank is entitled at anytime to unilaterally change an agreement on exchange rates without prior notice to the Client. Any change to the exchange rate shall be executed and calculated in a neutral way and is effective as of the time of publishing the changed Exchange Rate List in a way stated above in this Article.
- (2) The Bank executes conversion of currencies according to the exchange rate established and announced by the Bank pursuant to paragraph 1 of this article of the Terms and Conditions at the time of executing an order. For noncash operations, the "cheque sale/cheque purchase" rate is used. For cash operations, then, the "cash sale/cash purchase" rate is used. In cases of payments and transfers exceeding the amount of CZK 3,000,000 (three million) (or the equivalent thereof in a different currency), the Bank reserves the right to execute the conversion of currencies according to the current rate on the interbanking market. At the same time, the Bank reserves the right to temporarily change the rules for purchase and sale of certain currencies.

## Article VII. Incorrectly executed payment transaction

- (1) The Client is obliged without undue delay to check whether the payment transactions stated in the Account statement were authorized and charged correctly. Should the Client find discrepancies in charging of payment transactions, he or she is entitled, in a verifiable manner, to file a claim with the Bank regarding the errors that are found, and is to do so immediately after their finding, but at latest within 13 (thirteen) months after the funds have been debited from the Account.
- (2) The Bank examines every claim and, in case of need, requests the Client to submit documents required for evaluating the request. The Bank shall receive and handle claims and complaints in accordance with the Bank's Claims Code, which is available in the business premises at all the Bank's Points of Sale as well as on the Bank's website [www.volksbank.cz](http://www.volksbank.cz) in the part "The Bank/Business Terms and Conditions".

## **Chapter II: Special provisions for a cash payment**

### Article I. Cash payment

- (1) The Bank accepts cash deposits and credits them to Accounts, and it executes cash withdrawals from the Accounts in CZK and in foreign currencies stated in the Bank's Exchange Rate List across the entire network of its branches. The Client is entitled to deposit/withdraw cash at the cash desk of a branch of the Bank during a Banking Business Day within the Banking Hours of the branch, or, based on a special agreement concluded with the Bank, deposit cash to the credit of the Account even outside the Banking Hours of the branch using the day and night safe deposit.

- (2) The Client is obliged to report to the Bank 2 (two) Banking Business Days prior to any cash withdrawal in an amount exceeding CZK 250,000 (two hundred and fifty thousand) or in foreign currency equivalent to CZK 50,000 (fifty thousand). In case of not upholding this time period, the Bank is not obliged to pay out the funds in cash. For purposes of this paragraph, the amounts of all cash withdrawals executed from one Client's Account within one day are summed.
- (3) The Client confirms the correctness of an executed withdrawal or deposit by signing the cash receipt. The Client's signature confirming a cash withdrawal must be identical with his or her signature made in the signature specimen.
- (4) In all cash payment transactions exceeding EUR 1,000 (one thousand) or the equivalent thereof in a different currency, the Client is obliged to show to the Bank his or her identification data – an individual is obliged to present an identity card and a legal entity is obliged to present a document confirming its existence and the ID card of a person acting on its behalf. The Bank records the data thus obtained.

## **Chapter III: Special provisions for a noncash payment**

- (1) Domestic payment system is understood to comprise payment transactions executed in domestic currency within the Czech Republic. The Bank executes noncash domestic payment operations in the forms of one-time or multiple payment orders, standing payment orders, SIPO payments, debit orders and debit authorizations.
- (2) Foreign payment system is understood to comprise payment transactions other than as stated in paragraph 1 of this Article of these Terms and Conditions. The Bank executes noncash foreign payment operations in the forms of one-time and standing payment orders only in currencies stated in the Exchange Rate List.
- (3) Detailed requirements for individual forms of noncash payment operations are specified by the Bank in the Description of Payment Services.

## Article I. Return of an authorized transaction at the initiative of the recipient

- (1) The Account Holder is, upon fulfillment of conditions stipulated by the legal regulations, entitled to request the Bank to return the amount of a transaction executed at the initiative of the recipient based on a debit order within 8 days from debiting the funds from his or her Account, if:
  - a) at the time of the authorization a precise amount of the payment transaction was not established; and at the same time
  - b) the amount of the payment transaction exceeds the amount which could have been reasonably expected by the payer, with regard to all circumstances.

- (2) In case of a request under paragraph 1 of this Article, the Account Holder is obliged, together with the request, to provide the Bank with all information and documents proving that the conditions for return of the funds have been met. The Account Holder is obliged to provide the Bank in particular with documents proving the amount which the Account Holder could have reasonably expected. The Bank shall refuse the request if the Account Holder does not provide the Bank with such information and documents, or if such information and documents do not prove the legitimacy of the request.
  - (3) By stating the limit up to which the debit may be performed, the Account Holder declares to the Bank that he or she expects, with regard to all circumstances, execution of a debit up to the amount of the stated limit. The Bank and the Account Holder have thus agreed upon the amount of the executed debit which cannot be regarded as an amount that could reasonably have been expected by the Account Holder, with regard to all circumstances.
  - (4) In case the Account Holder is neither a Small Entrepreneur nor a Consumer, then the parties have completely excluded the applicability of the provisions of paragraph 1, Section 103 of the Payment System Act. If the Account Holder is a Consumer or a Small Entrepreneur, the parties have excluded the applicability of the stated provisions in case of fulfillment of the conditions pursuant to paragraph 2 of the Act. An Account Holder who is an entrepreneur and has not yet submitted to the Bank documents proving himself or herself to be a Small Entrepreneur is obliged to submit such documents, together with the application pursuant to paragraph 1 of this Article of these Terms and Conditions. He or she is therefore to submit:
    - a) a copy of the Overview of the Amount of Insurance and Benefits Paid to the Czech Social Security Administration for the month in which he or she concluded the Current Account Agreement (or as of 1 November 2009, if he or she had concluded the Current Account Agreement prior to this date) and
    - b) a copy of the annual financial statements or tax return for the previous calendar year.
  - (5) In case the Account Holder is the recipient of a payment by debit collection concerning which the payer requested its return pursuant to the relevant provisions of the Payment System Act, the Account Holder agrees that the Bank, based on the payer's Bank's request, debits this amount from his or her Account and transfers it to the payer's Bank.
- (2) In case that (i) the liable party refused to pay the debited amount or (ii) this amount was not paid in a proper and timely manner by the liable party, or (iii) it is possible, based on the payer's economic conditions, official interventions or other circumstances, to presume that the amount will not be paid by the liable party, the Bank is entitled to cancel the amount already credited to the Client's Account.
  - (3) Furthermore, provisional cancellation can be applied in a case that the Bank has received the debited amount but according to the foreign law or based on the arrangement of the foreign bank with a third party it was cancelled with respect to the Bank with retroactive effect.
  - (4) In the case of a valid provisional cancellation, the Bank is entitled to deny the Client to dispose with the credited funds until fulfillment of the obligations by the third party.

### Article III. Special Characteristics for Executing Foreign Payment Transactions

- (1) In a foreign payment transaction in which there occurs no currency conversion of a payment transaction and which is a Payment Transaction within the European Economic Area, the Client is entitled to submit a payment order only with the SHA payment fees code. In the case that another payment fees code (BEN or OUR) is submitted, the Bank shall execute the payment order as if the SHA payment code was submitted, and thus the payer and the recipient pay fees solely to their own banks.
- (2) In a foreign payment transaction in which there occurs currency conversion of a payment transaction and which is a Payment Transaction within the European Economic Area, the Client is entitled to submit a payment order with the SHA or OUR payment fees codes. In the case that another payment fees code (BEN) is submitted, the Bank shall execute the payment order as if the SHA payment was submitted, and thus the payer and the recipient pay fees solely to their own banks.
- (3) In a foreign payment transaction which is not a Payment Transaction within the European Economic Area, the Client is entitled to submit a payment order with the SHA, OUR or BEN payment fees codes.
- (4) The Bank is entitled to deduct the fee for the service's provision from the amount of the foreign payment transaction which is to be credited before its crediting to the Client's Account.
- (5) The Bank informs the Account Holder of every foreign payment transaction in a separate notification.

### Article II. Provisional cancellation

- (1) Should the Bank credit funds to the Client's Account which, on the basis of the Client's order, it is supposed to debit from a liable party (e.g. in cashing checks, bills of exchange or other securities), it does so only while reserving the right to cancel an amount already credited. This applies even if the debited amount should be payable at the Bank.

## Part Five: Responsibilities of the Bank and the Client

- (1) The Bank is responsible to the Client for fulfilling its undertakings in relation to an Agreement in a proper and timely manner. The Bank is responsible for damage that ensues from the Bank's failure to fulfill its obligations in connection with the provision of banking services if it cannot demonstrate that a breach on the part of the Bank was not due to circumstances outside of its responsibility or that it may not be held responsible for such action under the legal regulations or contractual agreement. The Bank is not responsible for damages ensuing from an interruption of its activities as a result of force majeure. The Bank is entitled for reasons that are appropriate due to special considerations to limit or close down its operations for a period when it is absolutely necessary.
- (2) The Client bears any loss from unauthorized payment transactions up to a total amount of EUR 150 (one hundred fifty) if such loss was caused by the use of a lost or stolen payment instrument or the misuse of a payment instrument in a case that the Client did not ensure the protection of his or her personalized security elements in the agreed manner.
- (3) The Client fully bears any loss from unauthorized payment transactions if such loss occurred in association with the Client's fraudulent activity or because he or she, intentionally or from gross negligence, breached some of the obligations stipulated in Section 101 of the Payment System Act.
- (4) With the exception of when the Client acts fraudulently, he or she bears no loss from unauthorized payment transactions if the loss occurred after the Client had notified the Bank of a loss, theft, misuse or unauthorized use of a payment instrument, or if the Bank did not ensure that the Client had at his or her disposal adequate means enabling him or her at anytime to report a loss, theft, misuse or unauthorized use of a payment instrument.
- (5) The Bank shall not be liable for consequences of the Client's decisions and approaches, even if they are made with reference to the Bank's opinion. Furthermore, the Bank shall not assume responsibility for the purpose for which funds are used. Damages incurred as a result of a mistake in a delivery, or error in telephone, telegraph, or telex communication with the Client or another bank shall be borne by the Client, unless caused by gross negligence on the part of the Bank.
- (6) The Bank is not responsible to advise the Client regarding exchange rate risks or other possible consequences of the financial operations executed by the Client or other banking transactions, or on the value of items placed with the Bank for safekeeping. Nor in such case is the Bank liable for the consequences of the Client's decisions and selected approaches.
- (7) The Bank is not liable for damages incurred by the Client as a result of applying agreed measures or sanctions. If no special arrangements exist, the Bank assumes no obligations other than those which are expressly stated in an Agreement and which result from the generally binding legal regulations.

- (8) The Client is responsible to the Bank for damage which occurs due to the fact that the Bank is not informed in a timely manner as to the loss of the Client's competence (or that of other parties authorized to dispose with the Client's funds) to perform legal acts or as to other limitations on the authorization of the Client to act publicly.

## Part Six: Other Provisions

### Article I. Signing of Documents on behalf of the Bank

- (1) The names of those of the Bank's employees who are authorized to sign on behalf of the Bank documents originating during business dealings at the Bank's counters are posted on public notice boards in the business premises of all the Bank's branches and are freely accessible to the Client.

### Article II. Definition of terms

- (1) A **Banking Business Day** is understood to be a day which is not a Saturday, Sunday, public holiday or any other holiday pursuant to relevant legal regulations and upon which the Bank is open to provide banking services. On such day, moreover, other institutions that participate in providing banking services or upon which the provision of banking services depends are open for their provision.
- (2) **BIC** is understood to be the banking identification code that unambiguously identifies the Bank, and it is also referred to as the SWIFT code consisting of up to 11 digits.
- (3) **Available Balance** is understood to be the momentary balance of funds in the Account based upon the final ledger balance from the previous Banking Business Day while taking into account up to the given time executed payment transactions (e.g. payments, cash deposits/withdrawals, Payment Card debits) and taking into account any agreed overdraft credit and after reducing for any possibly blocked amounts.
- (4) A **Small Entrepreneur** is understood to be a businessperson who has communicated or demonstrated to the Bank at its invitation that he or she has fewer than 10 (ten) employees and has an annual turnover or total assets in an amount of less than EUR 2,000,000 (two million). Fulfillment of the conditions in the first sentence is judged as of the date of concluding the Agreement with the Bank, or as of the date of arranging to amend the Agreement if the purpose of such arrangement is exclusively to make provision for a change in fulfilling the conditions according to the first sentence or as of 1 November 2009 if the Agreement was concluded prior to this date.
- (5) An **Infocard** is understood to be a device equipped with a magnetic strip by the insertion of which into an Infoterminal one may seek information relating to matters arranged with the Bank.
- (6) An **Infoterminal** is understood to be a device located within each of the Bank's business premises and accessible to the Client. A list of all Infoterminals is available on the Bank's website [www.volksbank.cz](http://www.volksbank.cz) in the Branches and Cash Machines/Infoterminal section.

- (7) **Client** is understood to be a private individual or legal entity to whom or which the Bank provides its services based on an Agreement or with whom or which the Bank is conferring about concluding an Agreement or who was authorized by the Account Holder to dispose with the funds in the Account.
- (8) **Exchange Rate List** is understood to be the exchange rates established and used by the Bank according to the provisions of Article VI. Exchange Rates Used by the Bank, under Chapter I, Part Four of these Terms and Conditions.
- (9) **Account Holder** is understood to be an individual person or legal entity who or which is concluding or has concluded a Current Account Agreement with the Bank.
- (10) **Bank's Point of Sale** is understood to be a branch of the Bank or a Volksbank SHOP.
- (11) **Payment Card** is understood to be an electronic payment instrument by means of which cash and noncash payment transactions are executed for the Account to which the card is issued and which is provided with identification and security data enabling the cardholder's identification.
- (12) **Payment Service** is understood to be a service that is part of cash payment operations enabling the deposit of funds to the Account and withdrawal of funds from the Account, or that is part of noncash payment operations for carrying out transfer of funds on the payer's or the recipient's initiative based on approval granted by the payer to the recipient or for carrying out such a transfer in accordance with the given payment instrument itself.
- (13) **Payment Transaction within the European Economic Area** is understood to be a payment transaction (i) executed from or to a country that is a member of the European Union or a country that is a signatory to the Agreement on a European Economic Area and at the same time (ii) is executed in a currency of an EU/EEA member state or in Swiss francs.
- (14) **Banking Hours** is understood to be that part of the Banking Business Day when the Bank customarily conducts activities necessary for the execution of payment transactions.
- (15) **Reference Interest Rate** is understood to be for credit account balances on Accounts maintained by the Bank in CZK the offered rate 3M PRIBOR from the interbank market declared each business day by the Czech National Bank and published on its website www.cnb.cz; for credit account balances on Accounts maintained by the Bank in currencies other than CZK the reference interest rate is understood to be the 3M LIBOR rate for the respective currency declared each business day and published in the REUTERS information system.
- (16) An **Agreement** is understood to be any arrangement between the Bank and the Client on the basis of which any contractual relationship between the Bank and the Client is established, changed or terminated.
- (17) **Current Account Agreement** is understood to be an Agreement the subject of which is opening and maintaining an Account by the Bank for the Account Holder.
- (18) **Payment Services Agreement** is understood to be any Agreement the subject of which is provision of Payment Services (in particular an Agreement on Account maintenance or an Agreement on Payment Card issuance).
- (19) A **Consumer** is understood to be any private individual who has concluded or is concluding an Agreement with the Bank or deals with the Bank outside his or her entrepreneurial activity or outside the independent practice of his or her profession.
- (20) **Types of fees in the foreign payment system**
- SHA – the payer pays the fees of his or her bank, the recipient pays the fees of his or her bank and possibly of the intermediary bank;
  - OUR – all fees are paid by the payer;
  - BEN – all fees are paid by the recipient.
- (21) **Account** is understood to be an account maintained at the Bank and which serves for executing payment transactions.
- (22) **Payment System Act** is understood to be Act No. 284/2009 Coll., from 22 July 2009, on Payment Systems, as subsequently amended.

### Article III. Changes in the Agreement/Terms and Conditions

- The Bank is entitled to propose to the Client a change in an Agreement, including the Terms and Conditions, and particularly in connection with changes in the legal regulations, changes in the current situation in financial markets or in the banking services markets. The Bank shall notify the Client of proposed changes by posting them in the business premises at all the Bank's Points of Sale and on its website at latest 2 (two) months prior to the date when any change should become effective. Within the same time period, the Bank provides information about the changes by stating them in the Account statement.
- It is regarded that the Client has accepted a proposed change if:
  - the Bank proposed the change at the latest 2 (two) months prior to the date when it should become effective,
  - the Client did not refuse the proposal in writing at the latest on the Banking Business Day prior to the proposed effectiveness of the changes,
  - the Bank informed the Client in the proposal of the consequences of non-refusal, and
  - the Bank provided information in the proposal of the possibility to withdraw from the Agreement according to the following paragraph of this Article of the Terms and Conditions.
- In case the Client refused the proposal of the change according to this Article, he or she has the right to withdraw by notice from the Agreement prior to the day when its change should become effective, without charge and with immediate effect. The notice of termination must be made in writing and delivered to the Bank prior to the date when the changes should become effective.
- If the Client refused pursuant to paragraph 3 of this Article of the Terms and Conditions to accept the proposed change in the Agreement, then the Bank is entitled to withdraw from the relevant Agreement with immediate effect.

#### Article IV. Other

- (1) The Bank has been granted a banking license and is enrolled in the list of banks maintained by the Czech National Bank under its identification number.
- (2) The supervisory body overseeing the activities of the Bank in providing payment services is the Czech National Bank, having its registered office at Na Příkopě 28, 115 03 Prague 1. The Client is entitled to file a complaint with the supervisory body.
- (3) In disputes arising between the Client and the Bank regarding the execution of payment transactions, the Client has recourse to the Financial Arbiter. This does not affect the Client's right also to seek redress in court.
- (4) The Bank has undertaken to adhere to the Czech Banking Association's Standard No. 22 on clients' mobility, which provides for binding principles and rules facilitating a Client's transfer from one bank to another.

- (1) These Terms and Conditions become effective from 5 February 2010 and replace the General Business Terms and Conditions of Volksbank CZ, a.s. from 31 October 2009.

#### Article V. Transitional provisions

- (1) In case that the Client has as of the date of the effectiveness of these Terms and Conditions a permitted direct debit without an established collection limit, the amount that the Client could have reasonably expected, pursuant to the provisions of paragraph 3 of Article I., Return of an authorized transaction at the initiative of the recipient, of Chapter III from Part Four of these Terms and Conditions, is considered to be at least the amount corresponding to that of the largest payment transaction executed on the basis of the given debit permission within the period of one year prior to the effectiveness of these Terms and Conditions.
- (2) An Account Holder who is a Consumer and who has as of the date of the effectiveness of these Terms and Conditions an agreed frequency for sending of statements that is longer than one calendar month will from the effectiveness of these Terms and Conditions receive statements with a frequency of one month. The method of obtaining access to the statements, or to be provided with the same, that is agreed in the Current Account Agreement shall be maintained.
- (3) An Account Holder who is a Small Entrepreneur and who has as of the date of the effectiveness of these Terms and Conditions an agreed frequency for sending of statements that is longer than one calendar month will from 1 January 2010 receive statements with a frequency of one month. The method of obtaining access to the statements, or to be provided with the same, that is agreed in the Current Account Agreement shall be maintained.
- (4) An Account Holder who is an entrepreneur and will as of 31 December 2009 have arranged in the Current Account Agreement to be conveyed statements by means of the Infoterminal will have access to the statements as from 1 January 2010 with a frequency of one month.

#### Article VI. Final provisions

- (1) The legal relations arising between the Client and the Bank are governed by the legal order of the Czech Republic, unless otherwise agreed.