

Business Terms and Conditions for Electronic Communication with the Bank – Homebanking



Effective as of 5 February 2010

I. Introductory provisions

- (1) These Business Terms and Conditions (hereinafter just the "Terms and Conditions") are an integral part of the Contract on Electronic Communication between the Bank and Client – Homebanking (hereinafter just the "Contract"). The Contract is governed by Czech law.
 - (2) The client is understood to be the person or entity that concluded the Contract with the bank (i.e., the account holder).
 - (3) The user is understood to be a person authorised by the client in the Contract to access electronically the client's accounts through Homebanking.
 - (4) An active user is understood to be a user authorised in the Contract to monitor the client's account balance and to carry out the active operations stated below in Article II, para. 2 of the Terms and Conditions.
 - (5) A passive user is understood to be a user authorised in the Contract to monitor the client's account balance (i.e., to work with summaries of executed payment transactions and to obtain information concerning the account balance).
 - (6) It is the client's fundamental obligation to abide by the Contract and these Terms and Conditions and to ensure that the users will fulfil their obligations set forth in the Contract and these Terms and Conditions.
 - (7) The user's authorisation to access the client's accounts terminates upon the bank's receiving a written cancellation of the user's power of attorney made by the client or a written cancellation of the power of attorney made by the user.
- e) creating and sending to the bank multiple intrabank foreign currency payment orders (also stating a future payment date),
 - f) creating and sending to the bank a request for establishing a one-time time deposit,
 - g) creating and sending to the bank a request for establishing a revolving time deposit,
 - h) creating and sending to the bank a request for a change or cancellation of a revolving time deposit,
 - i) creating and sending a request for establishing/changing/cancelling a standing order in CZK,
 - j) creating and sending a direct debit permission or its cancellation in CZK,
 - k) creating and sending a request for establishing/changing/cancelling a SIPO noncash payment,
 - l) creating and sending a request for changing a payment card's settings (i.e., settings related to the card's limit, resending the PIN), request for a payment card renewal,
 - m) creating and sending a request for changing personal information,
 - n) working with summaries of executed payment transactions and obtaining information on the account balance,
 - o) receiving lists of exchange rates and reference tables,
 - p) communicating with the bank through electronic mail messages in the application (hereinafter just "mail messages"),
 - q) accepting electronic documents, especially information about payment orders not executed by the bank, under the condition that the client has agreed so with the bank in the contract on the relevant current account.

II. Description

- (1) Homebanking is an electronic banking service that provides the client and Homebanking users with electronic access to the client's account or accounts (hereinafter just the "account") maintained by the bank.
- (2) The client and, on his or her behalf, the active Homebanking users are entitled to carry out the following operations with the bank using electronic communication by means of Homebanking:
 - a) creating and sending to the bank multiple domestic payment orders (also stating a future payment date),
 - b) creating and sending to the bank urgent multiple domestic payment orders,
 - c) creating and sending to the bank multiple domestic collection orders (also stating a future payment date),
 - d) creating and sending to the bank multiple foreign payment orders (also stating a future payment date),
- (3) The user is entitled to transfer to the bank through Homebanking payment orders for outgoing payment transactions without any limit, unless agreed otherwise in the Contract.
- (4) The user authorises operations executed in the Homebanking application by attaching the registered signature certificate and entering the appropriate password for the certificate. The user generates the signature certificate in the Homebanking application on the basis of security data provided to him or her by the bank in accordance with paragraph 1 of Article IV of the Terms and Conditions and registers it on the bank's server.

III. Technical conditions for the client for providing the service

- (1) Minimum hardware needs of the client, without which the service cannot be provided:
 - a) IBM PC compatible
 - b) 133 MHz processor or higher
 - c) 32 MB RAM
 - d) 150 MB free space on the hard disk
 - e) internet connection, or connection for modem communication and a modem
- (2) Software needs of the client, without which the service cannot be provided:
 - a) 32-bit operating system – Microsoft Windows 98 SE, ME, NT 4.0 – min. SP 6/2000/XP/Vista

IV. Rights and obligations of the contracting parties, ensuring security

- (1) The bank undertakes to provide to the client upon signing the Contract an installation package consisting of: (i) Homebanking software on CD-ROM (hereinafter just the “application”) and (ii) security envelopes with access data (passwords).
- (2) When taking over the security envelopes, the client is obliged to make sure that they are not damaged. The client is responsible for handing over the security envelopes to the respective users. In case that the envelopes are physically damaged, the client or, in his or her name, the Homebanking users are obliged to report this fact immediately to a person representing the bank.
- (3) All access data of the Homebanking users contained in the security envelopes is strictly confidential. The client and users are obliged to make sure that the data are not disclosed to any unauthorised third person.
- (4) The bank will not provide any user’s access data to any person other than the respective Homebanking user.
- (5) The client is entitled to install the Homebanking by himself or herself, unless he or she requests the bank to do so. In such case, the Homebanking installation and training for the client and users are provided, on behalf of the bank, by an Electronic Banking Specialist (an employee of the bank) or an external company. The client appoints a person in the contract who is obliged to be present at the installation and to provide required assistance to the employee of the bank or of the external company providing the installation and training. In particular, such person will be obliged to provide for inspection of the Contract, thus allowing to set up and activate the Homebanking service correctly.
- (6) The client and Homebanking users are obliged in particular to use the application solely for electronic communication with the bank and in accordance with the instructions described in the User Manual.
- (7) The client and Homebanking users may not copy the application or provide it to third parties.
- (8) In case of loss or theft of passwords or other access data, or if there is a reasonable concern that a third party may have learned of access data that could allow him or her to misuse the client’s account, or if any other concerns regarding misuse of the account will arise, the contracting parties will

notify one another about such situation without delay. The client or, in his or her name, the Homebanking user is obliged to report the aforementioned fact immediately to the bank in one of the following manners:

- a) at the internet banking help line (tel.: 800 133 144, ext. 6), Monday–Thursday 8 am–6 pm, Friday 8 am–4 pm, or
- b) in writing at any time to the e-mail address homebanking@volksbank.cz, or
- c) during the Call Centre’s business hours at 800 133 444, or
- d) in person at any branch of the bank.

Immediately after making the report in accordance with the preceding provisions of this paragraph, the client is obliged to confirm the notification by submitting a written Request for Blocking Electronic Access.

- (9) The bank may also block the access on its own initiative for reasons of the security of the electronic access, especially given suspicion of its unauthorised or fraudulent use. The bank shall inform the client of the blocking and the reasons for doing so before blocking the electronic access, or, if that is not possible, immediately thereafter (this does not apply, however, if providing this information could impede the purpose of the blocking or would contradict other legal regulations). The notification will be carried out by telephone. The bank shall unblock the electronic access as soon as the reasons for blocking subside. The client may request unblocking in writing at any branch of the bank.
- (10) On the day of blocking the electronic access to the accounts, the bank will verify with the client’s cooperation all electronic transactions that have not been processed.
- (11) For security reasons or due to system maintenance, the bank is entitled in urgent cases to interrupt the user’s access to Homebanking without prior notice or to suspend the provision of certain or all Homebanking services. The bank is obliged to inform the client of such circumstance without undue delay by means of a mail message in the application.
- (12) The client bears any loss from unauthorised payment transactions up to a total amount of EUR 150 (one hundred fifty) if such loss was caused by the use of lost or stolen access data in a case that the client did not ensure its protection in the agreed manner.
- (13) The client fully bears any loss from unauthorised 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 any of the obligations stipulated in Section 101 of Act No. 284/2009 Coll., on Payment Systems, as subsequently amended.
- (14) With the exception of when the client acts fraudulently, he or she bears no loss from unauthorised payment transactions if the loss occurred after the client had notified the bank of a loss, theft, misuse or unauthorised use of access data, 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 its loss, theft, misuse or unauthorised use.

V. Processing terms and conditions

- (1) The client and active Homebanking user may submit a payment order to the bank pursuant to Article II of the Terms and Conditions no earlier than 90 days before the payment date. Standing orders must be submitted at the latest 2 (two) banking business days before the first payment date.
- (2) Unless the client or the user specifies a later payment date, the bank will process payment orders on the day of a payment order's submission, assuming it is submitted to the bank within the agreed times, the so-called cut-off times, which are stated in the General Business Terms and Conditions of Volksbank CZ, a.s. The bank will process payment orders that it receives after the aforementioned time limits on the following banking business day, unless the client and user specify a later payment date.
- (3) The bank credits and debits the funds to and from the client's accounts during the banking business day.
- (4) The bank informs the client of payment transactions executed through Homebanking in a summary of executed payment transactions, which can be downloaded by the client and users through Homebanking from the bank's communication server always on the banking business day following the day of the bank's execution of the payment transaction.
- (5) Any order submitted electronically through Homebanking can be retracted until the time that it is received pursuant to the General Business Terms and Conditions of Volksbank CZ, a.s. In agreement with the bank, the client may retract a payment order (the exception being an authorised 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. A request for retracting a payment order must be made in the form of a mail message in the Homebanking application or a written request submitted to the bank's branch. Only an active Homebanking user is entitled to submit a request.

VI. Execution of domestic and foreign payment orders

Domestic payment orders

- (1) For sending a domestic urgent payment, the client and user are obliged to use an electronic domestic express multiple order form.

Foreign payment orders

- (1) If the client and user require certain foreign payments to be processed "urgently" (priority), the *Urgent* checkbox must be ticked in the payment order.
- (2) In the case of a request for carrying out a payment by cheque, the *Information for the bank* field shall include "PAYMENT BY CHEQUE". The bank shall debit all fees to the client's account (the final

recipient shall receive the whole amount by cheque).

- (3) Payment orders for transfers between accounts within Volksbank CZ, a.s. in different currencies and for transfers between accounts within Volksbank CZ, a.s. in the same foreign currency and payment orders from accounts maintained in a currency other than CZK to another domestic bank shall be made using an electronic intrabank foreign currency multiple payment order form.
- (4) If all of the above requirements are not met, the bank shall not carry out the payment and the client shall be informed accordingly through a mail message in the Homebanking application or by telephone.
- (5) The bank executes conversion of currencies according to the exchange rate established and announced by the bank pursuant to paragraph 1 of Article VI ("Exchange rates used by the Bank") of the General Business Terms and Conditions at the time of executing an order. The bank is entitled to change the Exchange Rate List until the time of processing the payment order. Such change, however, must be executed in a neutral way. Unless agreed otherwise, the bank will execute a foreign payment order or intrabank foreign currency payment order in accordance with the list of exchange rates for cheques purchase/cheques sale valid at the time of processing the payment order. 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. Exchange rates available from the Homebanking application are of an informative character only.

VII. Prices for services

- (1) For services provided by the bank, the client will be charged fees established in the bank's valid List of Fees. Unless agreed otherwise, fees are debited to the account specified by the client. The bank is nevertheless entitled to debit the fees to any other account maintained for the client.
- (2) Fees are understood to include, in particular: a one-time fee for obtaining the application, a regular fee for using the Homebanking service, and a fee for resending security envelopes. A fee for executing a domestic payment, a foreign payment, or an intrabank payment, as well as an extra charge for an urgent payment and a fee for retracting a payment order are debited to the account from which the payment was made.
- (3) The bank's List of Fees 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 in the section "Charges and rates/List of fees".

VIII. Claims settlement

- (1) The client (or, in his or her name, an active Homebanking user) is entitled to file claims relating to a defective Homebanking installation and/or training provided by an employee of the bank or an external company's worker authorised to provide the same (as regards standard work with Homebanking that permits the transactions described in Article II) and to do so no later than

within 30 (thirty) days from the day of such installation and training.

- (2) The client (or, in his or her name, an active Homebanking user) is obliged without undue delay to check whether the payment transactions stated on an account statement were authorised and charged correctly. Should the client find discrepancies in the 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. The bank will verify the claims filed by the client or Homebanking user within the established time limit. Other terms and conditions are presented in 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 in the section "The Bank/Business Terms and Conditions".
- (3) If a complaint regarding an erroneous transaction and filed in accordance with these Terms and Conditions is unsuccessful and the client is not satisfied with its resolution, he or she shall be entitled to turn to a court or the financial arbitrator that resolves disputes between issuers and holders in relation to issuing and using electronic payment instruments pursuant to Act No. 229/2002 Coll., on the Financial Arbitrator. The motion for proceedings before the financial arbitrator should be sent to Washingtonova 25, Prague 1, Postal Code 110 00.

IX. Changes in the Contract/Terms and Conditions/User Manual

- (1) The bank is entitled to propose to the client a change in the Contract, including the Terms and Conditions and User Manual, 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 the 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.
- (2) It is regarded that the client has accepted a proposed change if:
 - a) the bank proposed the change at the latest 2 (two) months prior to the date when it should become effective,
 - b) 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,
 - c) the bank informed the client in the proposal of the consequences of non-refusal, and
 - d) the bank provided information in the proposal of the possibility to withdraw from the Contract according to the following paragraph of this Article of the Terms and Conditions.
- (3) In case that the client refused the proposal of the change according to this Article, he or she has the

right to withdraw by notice from the Contract 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.

- (4) If the client refused pursuant to paragraph 3 of this Article of the Terms and Conditions to accept the proposed change in the Contract, then the bank is entitled to withdraw from the relevant Contract with immediate effect.

X. Final provisions

- (1) Should any of the provisions of these Terms and Conditions contradict a provision of the General Business Terms and Conditions of Volksbank CZ, a.s., the respective provision of these Terms and Conditions shall prevail.
- (2) These Terms and Conditions become effective from 5 February 2010 and replace the Business Terms and Conditions for Electronic Contact with the Bank – Homebanking from 31 October 2009.