

# Business Terms and Conditions of Volksbank CZ, a.s. for Phone Banking



Valid as of 25 June 2007

## I. Introductory provisions

(1) These Business Terms and Conditions (hereinafter just the "Terms and Conditions") correspond to the Model Business Terms and Conditions for the Issuing and Use of Electronic Payment Instruments issued by the Czech National Bank on 4 December 2002 and which are available at [www.cnb.cz](http://www.cnb.cz), with the following deviations:

- a) In case of a loss/theft of security codes, discovery of an unauthorised transaction, error or other discrepancies relating to the account maintenance are reported by telephone, the Bank will not provide the user/client with a proof of reporting such event. Reporting by telephone may be done only during the Call Centre's business hours.
- b) Prior to investigating a submitted claim, the Bank does not automatically assume liability for not executing a transaction or executing it incorrectly.
- c) If the user requests to be sent security envelopes by mail, the Bank does not assume responsibility for possible misuse of data by a third party.
- d) The user's liability specified in Article VIII of the aforementioned Model Business Terms and Conditions shall not apply for the purposes of these Terms and Conditions. The responsibilities of the user and the Bank are specified in these Terms and Conditions.

## II. Basic terms

### (1) Phone banking

A telephone banking service that allows a user, after the user's verification, access via telephone to an account or accounts (hereinafter "account") maintained at Volksbank CZ, a.s., company ID: 25083325 (hereinafter the "Bank").

By means of telephone communication with the Bank, the user is entitled to submit through the Bank's operator the client's domestic and foreign payment orders as well as requests for establishing or cancelling a term deposit; to transact with a term deposit; to submit requests for establishing, changing or cancelling a standing order in CZK; to work with account statements, to receive information about the account balance; to communicate with the Bank through the toll-free telephone line; and to receive information about products linked to an account.

Phone banking is available at the toll-free telephone line **800 133 444** (hereinafter "toll-free telephone line").

### (2) Client

A natural person or legal entity that is an owner of one or more current accounts and that has entered with the Bank into a Contract for Phone Banking (hereinafter the "Contract") or a person or entity who is authorised to enter into such Contract with the Bank on behalf of the client.

### (3) User

A client, or, as the case may be, person(s) authorised by the client in the Contract as person(s) entitled to transact with the account through Phone banking.

### (4) Security codes

Security codes consist of the user's user name (ID), the user's personal identification number (PIN), and a set of transaction authentication numbers (TANs) for one-time use. The TANs are sent to the user in a set after signing the Contract and then again before each set is depleted. The additional security codes (for example, new TANs), will be provided to the user in the manner currently agreed for delivering the envelopes with security codes.

If the security codes will be lost/stolen and then blocked by the Bank, the client/user is entitled to request that new codes be created.

The user is entitled to change unilaterally his or her personal identification number (PIN) for Phone banking. When creating a new PIN, the client is obliged to follow the security rules.

### (5) Call Centre

The Call Centre is the Bank's telephone centre that provides for communication between the client and the Bank from any place in the Czech Republic.

The calling party is served via telephone by an operator or an interactive voice response system. Operator's services are available during the Call Centre's business hours, an up to date version of which is always published on the Bank's web pages. Conversations with the Call Centre's operators are recorded and monitored.

## III. Technical requirements

(1) The user may communicate with the Bank using Phone banking solely by means of a touch-tone telephone.

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

(1) The Bank undertakes to create relevant security codes for the user that will allow the telephone communication with the Bank, to provide them to the client in person or to send them by mail, and to do so according to the user's specification in the Contract.

(2) The technical specification of the telephone over which the telephone communication will be carried out must comply with the requirements specified by the Bank (see Article III, paragraph 1 of these Terms and Conditions).

(3) The Bank is obliged to activate Phone banking within 3 business days from the conclusion of the Contract.

- (4) All data included in three envelopes containing the security codes is strictly confidential. The user is obliged to ensure that this data is not disclosed to any third party and to adhere to the Security Rules stated in Article IX of these Terms and Conditions. In particular, the user is obliged to inform the Bank if the delivered security envelopes are damaged or if there is suspicion of misuse of the security codes by an unauthorised person.
  - (5) The Bank is obliged to block the access to Phone banking without delay, and at latest by the next business day, after receiving notice and then to verify whether funds have been used in an unauthorised manner or data accessible through Phone banking has been improperly disclosed.
  - (6) The user is obliged to use Phone banking solely for telephone communication with the Bank and in accordance with the security rules stated in these Terms and Conditions.
  - (7) Based on the user's/client's instruction, the Bank will temporarily block telephone access to the accounts at the latest on the following day after such instruction is received, or the Bank shall do so on its own initiative if there exists a justified concern regarding misuse.
  - (8) On the day of blocking telephone access to accounts, the Bank will verify all outgoing but not yet executed telephone transactions, and those that are unauthorised will not be executed.
  - (9) Unless the Bank has already blocked the Phone banking permanently, the client/user is entitled to request that the Bank will unblock Phone banking. The request must be made in person at the Bank's branch.
  - (10) The Bank will block the Phone banking permanently upon the client/user visiting the Bank's branch in person in order to report or confirm reporting pursuant to Article IX, paragraph 6 of these Terms and Conditions.
  - (11) Any costs incurred in relation to blocking of telephone access to the accounts shall be borne by the client.
  - (12) For security reasons or due to system maintenance, the Bank is entitled in urgent cases to discontinue the user's access to Phone banking without prior notice or to suspend the provision of certain or all Phone banking services. The Bank is obliged to inform the user of such circumstance without undue delay by publishing the information at [www.volksbank.cz](http://www.volksbank.cz) and by a voice message on the toll-free telephone line.
  - (13) If the client incurs damage in relation to the use of Phone banking, the Bank is liable for such cases in which the damage arose because the Bank violated its obligations.
  - (14) The Bank is not liable for any damage incurred to the user/client due to the user's/client's gross negligence, violation of an obligation set forth in the Contract or in the Terms and Conditions, or the user's/client's fraudulent activity.
- (2) Unless the user specifies a later payment date, the Bank will process payment orders on the same day provided that they are submitted to the Bank within the time parameters established by the Bank. These time parameters are posted on a notice board at the Bank's business premises and published on the web site [www.volksbank.cz](http://www.volksbank.cz) (payment system deadlines). The client and user also are informed about them upon signing the Contract.
  - (3) The Bank will process payment orders received by the Bank after the aforementioned deadlines on the following business day unless the user specifies a later payment date.
  - (4) The Bank will execute a payment order only in the case that the user duly provided and approved all needed data and there is an adequate account balance at the time of processing the payment order. The user is entitled to carry out transactions through Phone banking only within the authorised daily limit stated in the Contract, but in no case exceeding CZK 100,000 in a daily aggregate amount for all accounts under the Contract. The user guarantees the accuracy of the data included in the payment orders.
  - (5) The Bank credits and debits the funds to and from the client's account during the banking day.
  - (6) The Bank informs the user/client of the processed payment orders by means of an account statement.
  - (7) The user is obliged to inform the Bank of any transaction that occurred but was not requested by the user immediately after discovering it, as well as of errors and discrepancies in the maintaining of the account, in the manner specified in Article IX, paragraph 6 of these Terms and Conditions.
  - (8) Any order becomes irrevocable as soon as it is received by the Bank. A payment order may be cancelled only in exceptional cases, upon prior agreement with the Bank, and on condition that the order has not been settled by the Bank.
  - (9) The Bank will inform the client of any possible change of terms in the payment system by means of the account statement and a voice message over the Bank's toll-free telephone line.

## **VI. Domestic and foreign payment orders settlement**

### **(1) Domestic payment orders**

If the user requests that certain domestic payments be processed "urgently", the user must state that fact when submitting the payment order through the Call Centre's operator.

### **(2) Foreign payment orders**

According to Decree No. 183 of the Czech National Bank from 16 April 2002, a user submitting any foreign payment order must provide the payment code through the Call Centre's operator.

If the user requires certain foreign payments to be processed "urgently", the user must state that fact when submitting the payment order through the Call Centre's operator.

## **V. Terms and conditions of processing**

- (1) The user may submit a payment order to the Bank no earlier than 30 days before the payment date.

If the aforementioned requirements are not met, the Bank will not make the payment and will report that fact to the user/client through an account statement or by sending an advice. The user may also verify through Phone banking whether the payment was made or not.

Unless agreed otherwise, the Bank will settle a foreign payment order in accordance with the list of exchange rates for purchase/sale of foreign exchange valid at the time of processing the payment order. If the exchange rate valid upon the processing of the payment order is different from the exchange rate valid when the payment order is received, the Bank is not liable for the difference thus arising upon the settlement.

## VII. Prices for services

- (1) For services provided by the Bank, the client will be charged fees established in the List of Fees for Financial and Trading Services. 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) The fees mean, in particular: a one-time fee for activation, a regular fee for using the Phone banking service, a fee for executing a domestic payment, a fee for executing a foreign payment, an extra charge for an urgent payment.

## VIII. Claims settlement

- (1) The user is entitled to make a claim relating to transactions made through Phone banking at latest within 30 days from the settlement date of the transaction. The time period for settling a claim depends on the transaction type and reason for the claim. The Bank will inform the client of a claim settlement in writing. Other conditions are specified in the Claims Procedure of the Bank that is posted at accessible places at the Bank's business premises and at [www.volksbank.cz](http://www.volksbank.cz).
- (2) If a claim of an erroneous transaction in accordance with these Terms and Conditions was rejected and the user is not satisfied with that resolution, the user is entitled to appeal to the financial arbiter who resolves disputes between issuers and users that arise from issuing and using electronic payment instruments under Act No. 229/2002 Coll., on the Financial Arbiter. The motion for an action before the financial arbiter shall be submitted to the following address: Washingtonova 25, Prague 1, 110 00.

## IX. Security rules

- (1) Each time the user receives an envelope containing security codes, and before opening them, the user is obliged to make sure that the envelopes or the security codes are not damaged. In case that the envelope(s) containing the security codes is/are damaged, the user shall report this fact immediately to the Bank. If the envelopes were delivered by mail, the user shall request the post office to provide a confirmation of delivery of the damaged mail and to submit this confirmation to the Bank. The user may inform the Bank of the delivery of damaged envelopes in person or by telephone during the Call Centre's business hours or by sending an e-mail to [phonebanking@volksbank.cz](mailto:phonebanking@volksbank.cz). If reporting the damaged delivery by telephone or e-mail, the client/user is obliged subsequently to confirm this

circumstance in person at the Bank's branch, and to do so without undue delay.

- (2) The client is obliged to keep all printed documents received from the Bank in a secure place.
- (3) The user is obliged to keep the one-time transaction authentication numbers (TANs) separate from other security codes.
- (4) All security codes must be used solely by the user, and the user is obliged not to allow a third person to access Phone banking using the user's identification number. Furthermore, the user is obliged never to disclose his or her personal identification number (PIN) to anyone and to prevent other persons from discovering the password by watching the user when entering the PIN into the telephone. The user is obliged to enter his or her user name (ID) and PIN only by using a telephone with touch tone dialling, and no other manner of providing these codes is permitted.
- (5) The user is obliged to change his or her PIN regularly, and no later than after accessing Phone banking 30 times.
- (6) In case of loss, theft, or suspicion of misuse of the security codes by an unauthorised person, the user and, as the case may be, the client shall report this fact to the Bank immediately and in person, by telephone during the Call Centre's business hours, or by sending an e-mail to [phonebanking@volksbank.cz](mailto:phonebanking@volksbank.cz). If reporting such event by telephone or e-mail, the client/user is obliged to confirm it subsequently in person at the Bank's branch and to do so without undue delay.

## X. Modifications to the Terms and Conditions

- (1) The Bank is entitled to amend these Terms and Conditions from time to time. The full wording of the amended Terms and Conditions will be posted at accessible points on the Bank's business premises and at [www.volksbank.cz](http://www.volksbank.cz).
- (2) The Bank shall inform the client of modifications to these Terms and Conditions through the account statement and by a voice message via the Bank's toll-free telephone line.
- (3) If the client does not terminate this Contract within 30 days from the posting of such notice and continues using the services provided by the Bank, then the new wording of the Terms and Conditions becomes binding upon the concluded contractual relationship with effect from the day specified in the amended Terms and Conditions.

## XI. Termination of the Contract

- (1) The Contract may be terminated on the basis of a written notice by either of the contracting parties or by termination of the Contract for the current account for which the Phone banking service was established (if the Phone banking service was established for multiple accounts, the Contract terminates by termination of the last of these contracts for the current account). In case of the client's death, the Contract terminates at such time as the Bank has credible knowledge about such circumstance.

- (2) The client is entitled to terminate the Contract in writing and at any time without stating a reason. The Contract terminates on the day the notice of termination is delivered to the Bank.
- (3) The Bank may terminate the Contract in writing and at any time without stating a reason. The termination is effective as of the last day of the calendar month following after the month in which the notice of termination has been delivered to the client.
- (4) The Bank is entitled to terminate the Contract with immediate effect if the client breaches the conditions for the account maintenance or if the client commits a serious offence that will result in violating the trust between the client and the Bank (for example, by providing untrue declarations or insufficient cooperation, by not fulfilling financial obligations to the Bank, etc.).
- (5) If the Contract is concluded with multiple clients, the provisions relating to termination of the Contract shall be applied as reasonable and appropriate to the individual concluded contracts. However, the Contract shall not terminate before the termination of the last individual contract.

## **XII. Final provisions**

- (1) These Terms and Conditions are an integral part of the Contract for Phone Banking. The Contract is regulated by Czech law.