

Terms and Conditions for the Issuing and Use of Payment Cards

Volksbank CZ, a.s.



Effective from 31 October 2009

I. Initial provisions

These Terms and Conditions for the Issuing and Use of Payment Cards of Volksbank CZ, a.s. (hereinafter just the “**Terms and Conditions**”) establish in accordance with the provisions of Section 273 of Act No. 513/1991 Coll., the Commercial Code, as subsequently amended (hereinafter just the “**Commercial Code**”), mutual rights and obligations of the Bank, Account Holder and Cardholder in the issuing and use of a Payment Card on the basis of the Contract.

II. Definitions

(1) Unless ensues otherwise from the context, the terms stated in this paragraph have the following meanings for the purposes of the Contract:

Transaction authorization – approval for executing a Transaction which the Cardholder may grant in the following manner:

- for cash withdrawals from ATMs, the Cardholder grants his or her approval of the Transaction by entering the PIN;
- for a noncash payment for goods and services made at places of business by means of a payment terminal or a mechanical reader (known as an “imprinter”) and for cash withdrawals at the branches of banks and exchange offices, the Cardholder grants his or her approval of the Transaction by entering the PIN or by signing his or her own name on the Signature Strip in accordance with the specimen signature (or by a combination of these methods depending on the type of Payment Card);
- for a payment for goods and services made without the presence of the Payment Card, the Cardholder grants his or her approval of the Transaction by entering the number of the Payment Card, name and surname of the Cardholder as well as data on the validity of the Payment Card, and, if need be, also by entering at the same time the three-digit CVV2 or CVC2 security code.

Bank - Volksbank CZ, a.s., having its registered office at Prague 4, Nusle, Na Pankráci 1724/129, Postal Code 140 00, Czech Republic, Company ID No. 25083325, entered in the Commercial Register maintained by the Municipal Court in Prague, Section B, file 4353.

Total Limit – maximum amount of all Cash Withdrawals and Noncash Payments for Goods and Services for one defined Calendar Period for Transaction Limits specified in the Application. The Total Limit corresponds to the greater of the amounts agreed as the Limit for Cash Withdrawal or the Limit for Noncash Payment for Goods and Services.

Cardholder – an individual who uses a Payment Card on the basis of the Contract. This is the Account Holder or a person authorised by the Account Holder to transact with funds on the Current Account by means of the Payment Card. If the Account Holder is the Cardholder, all provisions relating to the Cardholder are binding upon him or her.

Calendar Period for Transaction Limits – Limits for cards are arranged as daily or weekly. Individual calendar periods always begin at 8:45 p.m. local time. A weekly limit always begins on Sunday at 8:45 p.m. local time.

Limit for Noncash Payments for Goods and Services – an amount established as the maximum amount of all Noncash Payments for Goods and Services for one defined Calendar Period specified in the Application. The Limit for Noncash Payments for Goods and Services is also referred to in the Contract as the POS Limit.

Limit for Cash Withdrawals – an amount established as the maximum amount of all Cash Withdrawals for one defined Calendar Period specified in the Application. The Limit for Cash Withdrawals is also referred to in the Contract as the ATM Limit.

Account Holder – a natural person or legal entity that has concluded with the Bank a Current Account Contract for the account to which the Payment Card is issued.

PIN – the four-digit code that is assigned to each Payment Card and with which the Cardholder proves his/her authorisation to use the Payment Card for a cash withdrawal from an ATM and for a Noncash Payment for Goods and Services.

Payment Card – an electronic payment instrument by means of which cash and noncash payment operations are carried out on the account for which the card is issued. The Payment Card is provided with identification and security data enabling identification of the Cardholder by the issuer of the Payment Card. The Payment Card is provided with a unique number, name and surname of the Cardholder, validity data, an area on the backside of the Payment Card designated for recording the Cardholder’s specimen signature (hereinafter just the “**Signature Strip**”) and protective elements (for example, embossed information, magnetic recording, and the three-digit CVV2 [Card Verification Value] and CVC2 [Card Verification Code] security codes that are found on the Signature Strip).

Contract – contract for issuing and use of the electronic payment instrument, consisting of the Application and the Protocol for Accepting a Payment Card. Moreover, the Terms and Conditions, the General Terms and Conditions and the Price List are an integral part of the Contract.

Transaction Limits – Limit for Cash Withdrawals, Limit for Noncash Payments for Goods and Services and Total Limit. The definitive amounts are specified in the Application. Nevertheless, they do not affect the provisions of paragraph 4 of Article IV of the Terms and Conditions.

Application – a proposal of the Account Holder and the Cardholder to conclude the Contract submitted on the Bank’s form.

(2) If any terms other than those stated in paragraph 1 of this Article of these Terms and Conditions are used in the Contract, such terms have the meaning in the entire Contract that is established for them in the respective provision of the Contract.

III. Basic provisions

(1) The Contract is concluded upon signing the Protocol for Accepting a Payment Card by the Cardholder and the Bank on the Bank’s form (hereinafter just the “**Protocol for Accepting a Payment Card**”).

(2) The Contract consists of the Application and the

Protocol for Accepting a Payment Card. Moreover, the Terms and Conditions, the General Terms and Conditions of Volksbank CZ, a.s. (hereinafter just the "**General Terms and Conditions**") and the Price List for Providing Financial and Business Services (hereinafter just the "**Price List**") are integral parts of the Contract.

(3) In concluding the Contract, the Bank undertakes to issue to the Cardholder a Payment Card under the conditions established hereinafter and to allow him or her to use it. The Account Holder and the Cardholder thereby undertake to adhere to the terms and conditions agreed in the Contract.

(4) The Cardholder executes cash and noncash transactions using the Payment Card to the debit of the Current Account. A Transaction is understood to be the execution of Cash Withdrawals or Noncash Payments for Goods and Services (hereinafter just a "**Transaction**"). The Current Account is understood to be the account or accounts of the Account Holder specified in the Application (hereinafter just the "**Current Account**" or "**Current Accounts**"). If two Current Accounts are specified in the Application, the Bank shall debit the Transactions executed in Czech crowns to the account designated for settling Transactions executed in Czech crowns and other payments to the account designated for settling Transactions executed in another currency. All costs and amounts payable related to a Transaction shall always be debited to the same Current Account to which was debited the respective Transaction associated with these costs and amounts payable. In case of the transition of the Czech Republic to another currency or if the costs and amounts payable cannot be unambiguously attributed to one of the Current Accounts as described above, the Bank is entitled to debit the Transaction or costs to any of the Current Accounts.

(5) The Payment Card is issued by the Bank for the limited validity period that is indicated on the Payment Card. Unless otherwise stated hereinafter, the validity of the Payment Card ends (i) upon the lapse of the last day of the respective month and year indicated on the Payment Card, or (ii) upon expiration of the Contract, or (iii) upon returning the Payment Card to the Bank, or (iv) upon implementing permanent blocking of the Payment Card.

(6) After receiving the Payment Card, the Cardholder is entitled to use it during the validity period. Nevertheless, the Payment Card remains in the exclusive ownership of the Bank and is not transferable (i.e. only the Cardholder designated on the Payment Card is entitled to use it). The Cardholder is obliged to return the Payment Card to the Bank within 15 days from the lapse of its validity period, unless established otherwise. Any return of the Payment Card to the Bank in accordance with the Contract must be made in the form of its being handed over at any of the Bank's branches.

(7) If the provision of other services is requested in the Application (travel insurance, insurance against loss/misuse of the Payment Card or D.A.S. legal expenses insurance for motor vehicle drivers), these additional services are agreed at the time of concluding the Contract under the respective conditions for those services provided to the Account Holder and Cardholder no later than upon concluding the Contract.

(8) As an administrator of personal data, the Bank is entitled to conclude a respective contract with the processor (hereinafter just the "**Service Provider**") according to the provisions of Section 6 of Act No. 101/2000 Coll., on Personal Data Protection, as subsequently amended, and to transfer personal data to third parties that are processors or that secure services that form an integral or, as the case may be, an optional part of the Payment Card, in accordance with the provisions of Act No. 21/1992 Coll., on Banks, as subsequently amended, and Act No. 101/2000 Coll., on Personal Data Protection, as subsequently amended.

IV. Issuing of a Payment Card

(1) The Bank will evaluate the Application and, if it decides to accept it, will prepare the Payment Card to be issued at the Bank's branch specified in the Application, and it will notify the Cardholder accordingly. The Payment Card will be held at the branch for 60 calendar days. If during this time the Cardholder does not take possession of the Payment Card, then the card will be cancelled and the client's entitlement for issuance of the requested Payment Card according to the submitted Application will terminate. The fee for maintenance of the Payment Card and the associated supplementary services is charged according to the Bank's Price List, regardless of whether the Cardholder takes possession of the prepared Payment Card or not.

(2) Upon taking possession of the Payment Card at the Bank's branch, the Cardholder is obliged to sign (in such a way that is different from the specimen signature for the current account) the Payment Card on the Signature Strip in the presence of an authorised employee of the Bank and in such a way that the permanence of the signature made is ensured. The Bank will hand over the Payment Card solely to the Cardholder. Handing the Payment Card over to any other person, including any possible contractual representative, is not permitted. In exceptional cases, another method for handing over the Payment Card to the Cardholder may be agreed, provided that such method complies with the safety criteria established by the Bank.

(3) The Cardholder will receive an envelope with the PIN upon taking possession of the Payment Card at the Bank. If, however, it is stated in the Application that the PIN is to be sent by post, the Bank will send it by registered mail for personal delivery to the Cardholder. The PIN is always to be handed over solely to the Cardholder. Handing it over to any other person, including any possible contractual representative, is not permitted. In taking possession of the envelope, the Cardholder is obliged to check that it has not been damaged. In case of damage of any kind, the Cardholder is obliged to alert an employee of the Bank as to this fact. If the envelope has been damaged, the Cardholder is entitled to request in writing on the Bank's form that a new PIN and a new Payment Card be issued free of charge. Provided that the issued Payment Card is returned to the Bank, the Bank will prepare a new Payment Card and a new PIN within a reasonable period at the Bank's branch specified in the Application, unless agreed otherwise.

(4) The Bank and the Cardholder will confirm by signing the Protocol for Accepting a Payment Card that the Payment Card and the envelope with the PIN were collected and such signing will constitute the conclusion of the Contract in accordance with paragraph 1 of Article III of the Terms and Conditions. In case that the Transaction Limits specified in the Protocol for Accepting a Payment Card differ from the Transaction Limits specified in the Application, the Cardholder expresses his/her consent

with the change from the Application by signing the Protocol for Accepting a Payment Card. If the Cardholder is different from the Account Holder, the Cardholder also expresses this consent for the Account Holder, as the respective authorisation of the Cardholder is contained in the Application. The Cardholder is not entitled to accept an increase of the Transaction Limits from their amounts specified in the Application.

(5) If the Account Holder or the Cardholder has not given notice in writing to the Bank no later than 6 weeks before the lapse of the validity period that he/she does not request the issue of a new Payment Card, then the Bank will automatically prepare a new Payment Card to be issued at the latest at the end of the validity of the issued Payment Card. The new Payment Card (possibly along with a new PIN) will be ready to be collected at the Bank's branch specified in the Application and will be held there for 60 calendar days from the end of the issued Payment Card's validity. If during this time the Cardholder will not take possession of the Payment Card, then the card will be cancelled at the Account Holder's expense. The Bank will not automatically issue a new Payment Card if the Payment Card already in issue is blocked. The fee for maintenance of the Payment Card and the associated supplementary services is charged according to the Bank's Price List, regardless of whether the Cardholder takes possession of the automatically renewed Payment Card or not.

(6) The Account Holder/Cardholder is entitled to request the Bank in writing on the Bank's form to issue a new Payment Card due to loss, damage, theft, suspicion of misuse of the issued Payment Card or for any other reason. The conditions for blocking the Payment Card are stipulated in Article IX of these Terms and Conditions. The Bank will prepare the Payment Card in a reasonable period to be issued at the Bank's branch specified in the Application. The validity of an issued Payment Card will always end no later than upon the issue of a new Payment Card pursuant to the Contract.

(7) The Cardholder is entitled to request the Bank in writing on the Bank's form to reissue his/her PIN to the issued Payment Card because he/she has forgotten it. The Bank will send the Cardholder the PIN within a reasonable period to the branch stated in the Application, unless agreed otherwise. In case of the Cardholder's request for reissue of the PIN due to loss or suspicion of its misuse, the Bank will always prepare the PIN to be issued along with a new Payment Card that is to be issued at the Bank's branch stated in the Cardholder's Application.

V. Use of a Payment Card

(1) The Cardholder may use a Payment Card to execute the following Transactions:

- cash withdrawals from ATMs and cash withdrawals at the branches of banks and exchange offices (hereinafter just "**Cash Withdrawals**"),
- noncash payment for goods and services made at places of business by means of a payment terminal or an imprinter and payment for goods and services without the presence of the Payment Card (hereinafter just "**Noncash Payments for Goods and Services**").

(2) The Cardholder may enter data about the Payment Card only through web pages on which the SSL (Secure Sockets Layer) protocol and the 3D-Secure protocol presented under the trademarks "Verified by Visa" or "MasterCard Secure Code" are indicated as means of security. Breach of this provision, regardless of whether it occurred intentionally or due to negligence, is considered a serious breach of the Contract. The Account Holder fully bears all losses and damages caused by such breach until such time as he/she notifies the Bank of the misuse or unauthorised use of the Payment Card.

(3) The Payment Card can be used at places of business marked with the logo of the respective card association (e.g. MasterCard, Visa, Verified by Visa, MasterCard Secure Code).

(4) When the Payment Card is used to purchase goods or services, a place of business is always obliged to provide a sales receipt, or, as the case may be, the Cardholder is obliged to request it. The Cardholder is obliged always to check the total amount and the completeness of the sales receipt. If the Cardholder requests to execute a Transaction, he/she is obliged to sign a proper sales receipt, upon being requested to do so, in accordance with the specimen signature that is on the Payment Card, and to keep the receipt in case of a claim. In some places of business, the Cardholder may be asked to enter his/her PIN code.

(5) In making cash withdrawals from ATMs, it is necessary to enter the PIN code using the keypad and to follow the service instructions that are given on the ATM's screen or information panel. If the PIN code is incorrectly entered three times, the Payment Card is refused and automatically blocked temporarily. The blocking will be automatically released within 8 days, at the latest. The Cardholder is obliged to prevent the PIN from being disclosed even when entering it, e.g. by covering the keypad with the other hand, etc. Breach of this obligation, regardless of whether it occurred intentionally or due to negligence, is considered a serious breach of the Contract and the Account Holder fully bears all losses incurred from possible subsequent Transactions not authorised by the Cardholder until the time of performing the notification under paragraph 8 of Article IX of the Terms and Conditions.

(6) The Cardholder is entitled to carry out Transactions by means of the Payment Card only up to the amount of the authorisation balance on the Current Account and, at the same time, in such amount that the sum of the Transactions in an individual Calendar Period does not exceed the amounts of the agreed Transaction Limits.

(7) The authorisation balance is understood to be the available balance on the Current Account, or, as the case may be, that balance less an amount agreed in the Application as the reduction of the authorisation balance. If the Payment Card has been issued to two Current Accounts, then the authorisation balance is considered to be the sum of the available balances on both accounts or, as the case may be, reduced by the amount agreed in the Application.

(8) The Bank is entitled to reduce the available balance of the Current Account by the amount corresponding to a Transaction executed by means of the Payment Card immediately upon the Bank's receiving information on the execution of the Transaction from the authorisation centre. If the Transaction was executed in a foreign currency, or in a currency other than the currency in which the Current Account is maintained, the amount by which the available balance is reduced is not definitive and the resulting amount of the Transaction may differ depending on the

exchange rate on the day of the Transaction's settlement or due to a change in the amount of the Transaction on part of the place of business. The available balance on the Current Account will be reduced until the Bank receives documents necessary for settlement from the international MasterCard or Visa card association.

(9) If using the Payment Card results in an unauthorised overdraft on the Current Account, the Bank is entitled to charge interest on the unauthorised overdraft balance on the Current Account by applying the penalty rate of interest established in accordance with the Bank's General Terms and Conditions. The Account Holder is obliged to pay this amount without undue delay. An unauthorised overdraft is considered to arise also in the case of executing a Transaction in accordance with the authorisation balance but where there will be insufficient funds on the respective Current Account at the Transaction's settlement date to cover the Transaction.

(10) If during the duration of the Contract

- the Account Holder seriously breaches the Contract in accordance with Article XI, paragraph 4 (e.g. occurrence of an unauthorised overdraft on the Current Account) or
- the Bank learns of facts that, in its opinion, may threaten the Account Holder's obligation to fulfil his/her obligations to the Bank (especially substantial worsening of the Account Holder's financial situation, insolvency or execution proceedings initiated against the Account Holder, etc.),

the Bank is entitled to reduce the agreed Transaction Limits to CZK 1,000 with immediate effect. The Bank will inform the Account Holder of this fact in writing without undue delay after reducing the limits. Should the reasons for reducing the limits no longer exist, the Bank can agree with the Account Holder to re-increase the limits.

VI. Costs and payments

(1) All amounts payable by the Account Holder under the Contract (fees, penalty interest, etc.) shall be debited by the Bank from the respective Current Account.

(2) The Bank shall charge fees related to issuing and using the Payment Card, as well as to any other services under the Contract, pursuant to the Price List effective at the time of performing the service or Transaction. The Bank charges fees in particular for the following services: maintenance of the Payment Card, cash withdrawals from ATMs, cash withdrawals at bank cash desks, change of the contractual conditions, communication of a forgotten PIN, restricting the Payment Card's functionality for reasons other than loss/theft, travel insurance for trips abroad, insurance against loss/theft of the card, and D.A.S. legal expenses insurance for motor vehicle drivers.

(3) Unless established otherwise, fees associated with a certain circumstance are debited from the Current Account on the day when such circumstance occurs.

(4) The fee for Payment Card maintenance is debited to the Current Account monthly on the last business day of the month, regardless of whether or not the Cardholder takes over the Payment Card. The Payment Card is prepared for collection for 60 calendar days.

(5) Executed Transactions are debited to the respective Current Account as soon as the Bank receives documents necessary for their charging from the recipient's/payer's bank and immediately after the Transaction has been processed by the international MasterCard or VISA card association. In no case shall this be later than at the value date of processing the Transaction by the Bank. If a

Transaction with the Payment Card was made in a currency other than Czech crowns, the respective amount is converted by the exchange rate used by Československá obchodní banka, a.s. (Company ID No. 00001350), or by the MasterCard or VISA international association, and the exchange rate risk is always borne by the Account Holder.

(6) The Account Holder acknowledges that in settling Transactions executed in a foreign currency, it is not possible to file claims for amounts that arose due to differences between the exchange rates on the day of executing a Transaction and on the day of its settlement. An exchange rate difference may also arise in such Transactions based on conversion of a Transaction into a "clearing currency" and subsequently into the currency of the Current Account.

VII. Account statements and claims

(1) The Account Holder is informed of the settled Transactions and any fees in a Current Account statement. Transactions are billed individually with a truncated Payment Card number, the date of the Transaction's execution, shortened identification of the place where the Transaction was executed, any exchange rate used by the Bank in processing the Transaction, any fee connected with the Transaction, amounts as well as currencies of the Transaction. The Account Holder/Cardholder is obliged regularly to check the accuracy of data on Transactions executed using the Payment Card and on an ongoing basis, possibly even using electronic information channels for, among other things, the possibility of an early assertion of claims.

(2) In case of a claim of a disputed Transaction involving suspected misuse of the Payment Card, the Cardholder is obliged always to submit to the Bank the respective Payment Card to which the disputed Transaction relates, and if it is not submitted such fact will be taken into account in the claim procedure. This does not apply in cases when the Bank was duly notified of the loss or theft of the respective Payment Card. The Bank is entitled to call on the Cardholder/Account Holder to provide further documentation relating to the Transaction under claim. The Cardholder/Account Holder is obliged to provide the Bank with the necessary cooperation for the purpose of the due course and resolution of the claim procedure.

(3) If the Account Holder/Cardholder discovers in the Current Account statement an item not corresponding to any Transaction that he/she carried out with the Payment Card, or if an incorrect Transaction amount is shown, he/she is entitled to file a claim in accordance with the Bank's Claims Procedure. The Account Holder/Cardholder should fill out the Bank's claims report form and at the same time provide all available documents supporting the claim. The Bank will confirm receipt of the claims report form. In resolving a Transaction claim, the Bank will assess whether the Cardholder has fulfilled all the conditions, i.e. in particular whether he/she complied with the deadlines for asserting claims and the obligations resulting from the Contract, including these Terms and Conditions (e.g. serious breach of the protection of the Payment Card's security and identification elements). If during the course of the claim procedure the Bank discovers that the claim is unjustified, it will dismiss the claim. The Bank will always inform the Cardholder of the result of the claim procedure.

(4) The Cardholder is obliged to notify the Bank of an unauthorised Transaction without undue delay in case of suspected misuse of the Payment Card at the latest within 2 months, and in justified cases 13 months, from the date of the funds' debit from the Current Account. He/she shall

carry out the notification at a branch of the Bank. If when assessing an allegedly unauthorised Transaction the Bank discovers that the Transaction was authorised, it will dismiss the claim.

(5) The Cardholder, or, as the case may be, the Account Holder, may request refund of an authorised Transaction executed on the recipient's initiative within 8 days of the funds' debit from the Current Account, on the condition that at the time of the Transaction Authorisation no exact amount was established and the debited amount exceeds the amount that the Cardholder could have reasonably expected with regard to all circumstances (including, for example, payments at car rental agencies, hotels, etc.). Detailed conditions for the refund of an authorised Transaction are stipulated in the General Terms and Conditions.

(6) If it is apparent in view of the circumstances and complexity of a given case that the statutory time limit for assessing the claim may be exceeded, the Bank will return to the Account Holder the Transaction amount less the amount of the loss which the Account Holder bears by law. In such case, the Bank may block this amount in his/her account until proper termination of the claim procedure. Once the complaint procedure has ended, the Bank will release the amount in case of a justified claim or debit the amount from the Current Account in case of an unjustified claim.

(7) If an erroneous transaction or any other reparation claimed in accordance with these Terms and Conditions has not been resolved satisfactorily, the Account Holder/Cardholder has the right to appeal the claim to the financial arbiter, who settles disputes arising between the issuers and holders of payment cards that occur in issuing and using electronic payment instruments pursuant to Act No. 229/2002 Coll., on the Financial Arbiter, as subsequently amended. Petitions for proceedings before the financial arbiter are submitted to the following address: Washingtonova 25, Prague 1, 110 00.

VIII. Information and other obligations of the Account Holder/Cardholder

(1) The Account Holder/Cardholder is obliged to inform the Bank without delay of any change to data stated on the Application and of all circumstances that could in any way affect his/her ability to fulfil obligations resulting from the Contract.

(2) The Cardholder is obliged to keep the Payment Card in a secure place, separate from personal documents, and to protect it against misuse by third parties. The Cardholder is obliged regularly, on a daily basis, to check that he/she has possession of the Payment Card. In case of loss, theft or other suspicion of misuse of the Payment Card, the Cardholder shall proceed in accordance with paragraph 8 of Article IX of the Terms and Conditions.

(3) The Cardholder may not lend the Payment Card to anyone nor share with a third party information about the Payment Card that could be used to execute a Cash Withdrawal or Noncash Payment for Goods and Services.

(4) The Cardholder undertakes not to write the PIN either onto the Payment Card or onto any other object (and especially not an object that could be carried with the Payment Card). The Cardholder is obliged to keep the PIN separate from the Payment Card, in secrecy, and protect it from its being disclosed to or detected by third parties.

IX. Blocking

(1) **Temporary blocking** of a Payment Card means a measure consisting in a temporary suspension of the possibility to make Transactions using the Payment Card.

(2) **Permanent blocking** of a Payment Card means a measure consisting in a permanent suspension of the possibility to make Transactions using the Payment Card along with early termination of the validity of the issued Payment Card as at the day of permanent blocking.

(3) The Bank is entitled to carry out temporary or permanent blocking of a Payment Card under the conditions described below and to communicate this decision to a third parties (in particular to places of business, financial institutions, the card association, and the like). The Bank informs the Account Holder/Cardholder of blocking the Payment Card and the reasons for doing so prior to blocking it, or, if this is not possible, immediately thereafter (this does not apply, however, if providing this information could impede the purpose of blocking the Payment Card or would contradict other legal regulations). The notification will be carried out by telephone, e-mail or letter. The Bank will unblock the Payment Card or replace it with a new Payment Card as soon as the reasons for blocking the Payment Card no longer exist.

(4) In particular, the Bank is entitled to carry out temporary blocking at any time if the conditions for permanent blocking of a Payment Card under the Contract have been met.

(5) The Bank is also entitled to carry out temporary blocking of a Payment Card for security reasons if the PIN is entered incorrectly three times. Such blocking of the Payment Card shall be effective only for Transactions for which the PIN must be entered and shall be cancelled automatically no later than within 8 days from blocking of the Payment Card.

(6) The Account Holder or Cardholder is entitled to request, for reasons other than specified in paragraph 8 of this Article of the Terms and Conditions, that a temporary or permanent blocking of his/her Payment Card be carried out. Blocking shall be carried out no later than the first business day following the day when the request for blocking of a Payment Card is submitted to the Bank's branch. The Bank may subsequently cancel the temporary blocking based on a written request made by the person who requested the temporary blocking.

(7) The Bank is in particular entitled to carry out permanent blocking of a Payment Card for security reasons if:

- unauthorised or fraudulent use is suspected,
- a telephone report in accordance with paragraph 8 of this Article of the Terms and Conditions is made,
- with regard to maintaining the Account Holder's security and protection, the Bank suspects misuse of the Payment Card.

(8) In case a loss or theft of a Payment Card should occur, or if a Payment Card is retained in an ATM, or should there arise a threat for any reason of the card's misuse, then the Account Holder/Cardholder is obliged immediately to report that fact by telephone to the Call Centre of Československá obchodní banka, a.s. (hereinafter just the "**ČSOB Call Centre**") at tel. +420 495 800 111. Such reporting may also be done by a third party (hereinafter just the "**Reporting Person**"). An employee of the ČSOB Call Centre will communicate to the Reporting Person in the course of the telephone conversation an identification code serving as confirmation

of the telephone report. If, for any reason, the Account Holder/Cardholder is unable to report the aforementioned facts to the ČSOB Call Centre, he/she is obliged to do so without delay at any of the Bank's branches. The Bank will ensure reporting to the ČSOB Call Centre. Upon a telephone report under this paragraph, the permanent blocking of the Payment Card is carried out.

(9) When a telephone report is made under paragraph 8 of this Article of the Terms and Conditions, the Reporting Person must provide all such data as is needed to identify the given Payment Card (the Payment Card number or the Cardholder's name and surname, and the like). Furthermore, it is necessary to report all the circumstances known to the Reporting Person about the loss, theft or suspicion of the Payment Card's misuse (such as whether a disclosure of the PIN has occurred, and the like).

(10) Immediately after a telephone report to the ČSOB Call Centre pursuant to paragraph 8 of this Article of the Terms and Conditions, the Cardholder/Account Holder is obliged to report this fact in person at a branch of the Bank and at the same time to provide the Bank with the assigned identification code for blocking.

X. Responsibility of the Bank and the Account Holder

(1) The Account Holder bears full responsibility for all Transactions executed using the Payment Card issued under the Contract. The Account Holder is obliged to ensure that the Cardholder adheres to the contractual conditions. The Account Holder is fully responsible for their possible breach and its consequences.

(2) The Account Holder's responsibility for Transactions carried out with a lost, stolen or misused Payment Card ends immediately upon reporting by telephone in accordance with paragraph 8 of Article IX of the Terms and Conditions. In no case, however, does the Bank bear responsibility for possible damages resulting from Transactions made by Payment Cards when the correct PIN has been used or the Cardholder acted fraudulently.

(3) In the case of damages caused by possible misuse of a Payment Card blocked temporarily or permanently for reasons described in paragraph 6 of Article IX of the Terms and Conditions, the Bank assumes responsibility on the second business day following the day when the request was made for blocking the Payment Card at the Bank's branch.

(4) The Bank is not liable for damages incurred as a result of non-execution of requested Transactions which were either directly or indirectly due to causes beyond the control of the Bank or its partners (for example, interruption in the supply of electricity, ATM malfunctions, a business establishment's or bank branch's refusal to accept a Payment Card, strike actions, and the like) or when the relevant Transactions were carried out on devices that were not approved for use with Payment Cards.

(5) The Bank does not inquire into the legitimacy of Transactions carried out by the Cardholder, nor is it responsible for those.

(6) The Bank is liable to the Account Holder for damages that the Account Holder incurred due to the Bank's failure to uphold the Terms and Conditions. Nevertheless, the Bank is not liable for damages incurred in the following cases:

- damages occurring in relation to an invalid Payment Card;

- the Account Holder or Cardholder grossly violated the obligations established by the Contract, in particular, the Account Holder or Cardholder violated the obligation to keep the PIN secret, or violated the obligation to give to the Bank without delay instructions for blocking the Payment Card in case that a possibility of its unauthorised use has been indicated;

- for the period from the lapse of the Payment Card's validity until its return to the Bank, the Bank is not liable for costs and damages that the Account Holder may incur in relation to the Payment Card.

(7) Furthermore, the Bank is not liable to the Account Holder or Cardholder for any damages that he/she may incur:

- in relation to the Cardholder's exceeding the Transaction Limits,

- due to misuse of the Payment Card if the Cardholder fails duly to return it in accordance with the Contract,

- due to termination of the Contract,

- due to temporary or permanent blocking of a Payment Card should such blocking be made in accordance with the Contract.

XI. Termination of the contractual relationship

(1) Upon termination of the Contract, the Cardholder's right to use the Payment Card issued in accordance with the Contract terminates and the validity of the Payment Card ceases. The Contract terminates in the following cases:

- by termination notice under paragraph 2 of this Article of the Terms and Conditions,

- upon the Bank's receipt of a notice terminating the Current Account for which the Payment Card has been issued (if the Payment Card has been issued for multiple accounts, termination notice for one of them will suffice),

- upon cancellation of the Contract under paragraph 4 of this Article of the Terms and Conditions,

- upon the end of validity of the Payment Card unless a new Payment Card shall be issued for an additional period in accordance with paragraph 5 of Article IV of the Terms and Conditions and on the basis of the Contract,

- upon lapse to no effect of the period of 60 calendar days during which the Payment Card was prepared for collection at the Bank's branch in accordance with paragraph 5 of Article IV of the Terms and Conditions,

- upon the Bank's obtaining confirmation of the Account Holder's or Cardholder's death or dissolution,

- in other cases established by law (agreement of the contracting parties, etc.).

(2) The Bank, the Account Holder, and the Cardholder are entitled to terminate the Contract at any time and without giving a reason by delivering a written termination notice to the other contracting parties. Upon a notice given by the Account Holder or Cardholder, the Contract terminates on the business day following the day of its delivery to the Bank, unless a later effective date was specified in the notice. In such case, the Cardholder is obliged to hand over to the Bank the Payment Card along with the written notice. In case of a termination notice given by the Bank, the notice period is 2 months and begins no sooner than upon the first day of the calendar month following the month in which the written notice was delivered to the other parties. The Cardholder is obliged to return the Payment Card to the Bank before the beginning of the notice period.

(3) Should the Contract be terminated by the Account Holder or the Cardholder, they are obliged to inform one another in writing of the given termination notice.

(4) In case of a gross violation of the Contract on the part of the Account Holder or Cardholder, the Bank is entitled to terminate the Contract with immediate effect. Gross violation of the Contract is considered in particular to be the following:

- if the Account Holder or Cardholder presented false or distorted information to the Bank,
- if the Transaction Limits are exceeded or an unauthorised overdraft arises on the Current Account,
- if the obligation to keep the PIN secret has been violated,
- in case of breaching the provisions of paragraph 6 of Article III of the Terms and Conditions,
- in case of breaching the obligation to notify the Bank in case of a loss or misuse of the Payment Card or when circumstances have indicated the possibility of an unauthorised use of the Payment Card,
- if the Account Holder's financial situation substantially deteriorates, the Account Holder is under threat of bankruptcy or has been declared bankrupt, the Account Holder has been criminally prosecuted, sentenced upon a court's judgement, or his or her assets are subject to distraint, and the like.

Termination of the Contract does not affect the Bank's entitlement to debit from the Current Account any Transactions already made nor the Cardholder's obligation to return the Payment Card to the Bank.

(5) Termination of the Contract does not release the Account Holder from the obligation to settle all obligations arising from use of the Payment Card issued under the Contract. The Bank is entitled to charge the Current Account for Transactions resulting from using the Payment Card that the Bank received after termination of the Contract.

XII. Final provisions

(1) The Contract is governed by Czech law. The Bank, the Account Holder, and the Cardholder further have expressly agreed that any and all disputes that could arise from or in connection with this Contract shall be, without recourse to the competence of the common courts, settled decisively and with final validity before the Arbitration Court at the Economic Chamber of the Czech Republic and Agricultural Chamber of the Czech Republic in accordance with the Rules and Regulations of that Arbitration Court by a single arbitrator appointed by the Chairman of the Arbitration Court subject to Act No.

216/1994 Coll., on Arbitration Procedure and Execution of Arbitration Awards, as subsequently amended. The parties have also agreed that the arbitration proceeding will be held only on the basis of written documents and without pursuit of oral proceedings.

(2) Should any of the provisions of the Contract contradict a provision of the Terms and Conditions or General Terms and Conditions, the respective provision of the Contract shall prevail. In case of contradiction between the Terms and Conditions and the General Terms and Conditions, the provision of the Terms and Conditions shall prevail.

(3) Unless agreed otherwise, the Contract may be changed only on the basis of a written agreement between the contracting parties. The Transaction Limits may be changed without the consent of the Cardholder if he/she is different from the Account Holder.

(4) The Bank is entitled to amend the Terms and Conditions from time to time. The Bank shall inform the Account Holder/Cardholder of a proposal for a change to the Terms and Conditions at its places of business and on its website www.volksbank.cz no later than 2 months prior to the date on which the change should become effective. The Bank informs of the changes within the same period by means of a notification in the Current Account statement. The Account Holder is considered to have accepted the proposed change to the Terms and Conditions if the Bank proposed the change to the Terms and Conditions two months before their effective date and the Account Holder did not reject the proposal in writing at the latest on the business day preceding the proposed effective date of the amended Terms and Conditions. If the Account Holder rejects the proposal, he/she has the right to withdraw from the Contract at no charge and with immediate effect prior to the day on which the change should become effective. A termination notice must be made in writing and delivered to the Bank prior to the day on which the change should become effective.

(5) In accepting these terms and conditions, the Account Holder and Cardholder agree to prolong the limitation period in relation to the Bank's receivables from him/her arising from the Contract, including future receivables due to the Bank, for the period of 10 years.

(6) By signing the Application, the Cardholder authorises the Account Holder to take over all documents sent to him/her by the Bank on the basis of the Contract.

(7) If any provision of the Contract or its part is or becomes invalid or unenforceable, the remaining provisions of this Contract or their parts shall remain valid and enforceable.

(8) These Terms and Conditions become effective on 31 October 2009 and replace the previous Terms and Conditions for the Issuing and Use of Payment Cards issued by the Bank and effective from 1 April 2008.