

BUSINESS TERMS AND CONDITIONS OF EQUA BANK A.S. FOR INDIVIDUAL ENTREPRENEURS AND LEGAL ENTITIES

1. INTRODUCTORY PROVISIONS

1.1. Scope of Validity and Changes of the BTC

- 1.1.1. These BTC shall govern the general conditions of all contractual relationships between the Bank and the Customer, which arose as a result of the Banking Services.
- 1.1.2. In addition to the BTC, the individual contractual relationships, which arose as a result of the Banking Services, shall also be governed by the PTC, the Price List, the Interest Rate List and/or the Exchange Rate List as well as specific provisions in the Agreement.
- 1.1.3. The Bank shall communicate every Amendment to the BTC to the Customer two (2) months before the day, on which such Amendment shall become effective, at the latest, in writing, by e-mail or through Direct Banking. The Customer shall be entitled to reject the Amendment to the BTC no later than prior to the day on which such Amendment shall become effective and to cancel the respective Agreement in writing with immediate effect as of the day of delivery of the cancellation to the Bank. Should the Customer reject the Amendment in writing and should the Customer fail to cancel the Agreement, the Bank shall consider such rejection to be a draft agreement to terminate the Agreement as of the day preceding the day on which the Amendments shall become effective; the Bank shall terminate all services concerned by the proposed change as of such day. Should the Customer not reject the Amendment as of the date specified above, the Amendment shall be deemed to be agreed to by him/her. The Bank shall specifically inform the Customer of such consequence in the notification of the change of the BTC.

As a rule, the Bank shall introduce amendments to the BTC only in justified cases and within a necessary scope (i.e. legislation or regulatory changes, having an impact on the functioning of the Bank or the cooperation of the Customer or on increasing the efficiency of processes related to the provision of Banking Services).

- 1.1.4. The Customer shall acknowledge and agree to the Bank being entitled to communicate the changes of the BTC, the PTC, the Price List or the Interest Rate List, performed in favour of the Customer (i.e. in particular, an introduction of a new Banking Service the Customer may request, a reduction or a cancellation of a Fee) in the manner specified in Art. 1.1.3. of the BTC also in a shorter time period than that specified herein.

1.2. Definition and Interpretation of Terms

- 1.2.1. Should the PTC contain a provision which differs from the BTC, such different provision shall prevail over the BTC. Should the Agreement contain a provision which differs from the PTC, the BTC or the Price List, such different provision shall prevail over the PTC, the BTC or the Price List.
- 1.2.2. Unless otherwise specified in the text of these BTC, capitalised terms used in these BTC shall have the meaning specified in Article 19 or in the individual PTC.

2. BEGINNING AND END OF CONTRACTUAL RELATIONSHIP

2.1. Conclusion of Agreement

- 2.1.1. The Bank and the Customer shall enter the contractual relationship by concluding an Agreement. Unless otherwise defined in the Agreement, the Agreement shall be concluded for an indefinite period of time.
- 2.1.2. The Agreement shall always be concluded in writing either in paper form or using the means of remote communication, in particular Direct Banking. In addition, the written form shall be requested for the Agreement and its amendments only if it is stipulated by general law or expressly agreed in the Agreement.
- 2.1.3. Should the Agreement be concluded in paper form based on the initiative of the Bank to conclude the Agreement, the Agreement shall be deemed concluded when the Customer delivers the signed draft Agreement to the Bank. Should the Customer initiate a conclusion of the Agreement, the previous sentence shall apply mutatis mutandis.
- 2.1.4. Should the Agreement be concluded not in paper form, but using the means of remote communication, and unless otherwise explicitly stipulated, the Customer shall request to conclude an Agreement using an Application for the Provision of a Certain Banking Service; the Agreement shall be deemed concluded when the Bank notifies the Customer of the approval of the Application. The approved Application shall be deemed notified to the Customer when a measure is performed, implying that the Banking Services specified in the Application are available to or can be used by the Customer.
- 2.1.5. Unless a later effective date is stipulated in the Agreement, the Agreement shall become effective as of the day of its conclusion.
- 2.1.6. Should the Customer deliver a signed draft Agreement to the Bank or should the Bank receive consent of the Customer to the draft Agreement containing additions, reservations, restrictions or other amendments, the draft Agreement of the Bank shall be deemed rejected. Thus, the Customer shall submit a new draft Agreement even if such addition, reservation, restriction or another amendment do not substantially change the draft of the Bank. In such a case, the Agreement shall be concluded only if this new draft is confirmed in writing and delivered to the Customer by the Bank.

- 2.1.7. For the purposes of the Agreement on Provision of Payment Services pursuant to the PTC, the Bank shall consider all the Customers to be small enterprises pursuant to these BTC (pursuant to the Payment Services Act). The Customer declares to have been provided the information on the Bank, the Agreement in question, the obligations and responsibility of the Bank and the Customer within the scope stipulated by the Payment Services Act by the Bank in good time before the conclusion of the Agreement or the amendment hereto.
- 2.1.8. Agents, Other Couriers or other third parties whose services may be used by the Bank in connection with the conclusion of the Agreement shall essentially not be entitled to act on behalf of the Bank, i.e. accept consignments or any notifications on behalf of the Bank, unless expressly authorised in writing to do so by the Bank.
- 2.1.9. The Bank shall not be obliged to enter into a contractual relationship with the Customer and shall be entitled to refuse to provide a Banking Service, in particular if the provision of the Banking Service to the Customer and/or any member of the Group of the Customer is in conflict with valid law or regulations binding for the Bank.

2.2. Termination of Agreement

- 2.2.1. The Agreement shall expire when the time period for which it was concluded expires (unless it was concluded for an indefinite period of time), by an agreement between the Bank and the Customer, by a cancellation or a withdrawal, unless otherwise stipulated in the Agreement or the BTC.
- 2.2.2. The Customer and the Bank shall also be entitled to cancel the Agreement without giving any reason. The period of notice shall begin on the day of delivery of the notice to the other contractual party. Unless a longer period is stipulated in the notice, the period of notice shall end within one (1) month from the day on which it was delivered to the other contractual party. Unless this option is expressly ruled out in the Agreement, the Bank shall be entitled to withdraw from the Agreement if any Event of Infringement occurs.
- 2.2.3. The Bank shall also be authorised to withdraw from the Agreement if, between the conclusion of the Agreement and the period of time in which services should have been provided pursuant to the Agreement, there was a substantial change of circumstances which were significant for negotiating the Agreement and its content as a result of an event which could otherwise represent a circumstance excluding the liability of the Bank. The Customer and the Bank have agreed that the provision in Sections 1764 to 1766 of the Civil Code shall not be applied.
- 2.2.4. The Agreement in question shall be terminated by withdrawal from the Agreement at the moment of delivery of the notification of withdrawal to the other contractual party or later, as defined in the notification of withdrawal from the Agreement. Outstanding claims in connection with the Agreement shall become due on the first Working Day following the delivery of the notification of withdrawal to the other contractual party.
- 2.2.5. Unless otherwise agreed, after the end of the contractual relationship the Bank and the Customer shall be obliged without undue delay to mutually settle their liabilities as of the termination of the Agreement, in particular to pay all due amounts including remaining due loans. In such a case, the Bank shall return a proportionate part of the Fee only when explicitly stipulated by general law or the Agreement. After the termination of the contractual relationship, the Customer shall be obliged to return to the Bank the Payment Instruments, which the Bank or a third party provided to the Customer in connection with the provision of a Banking Service, within the time frames stipulated by the Bank.

2.3. Dependency of Agreements

- 2.3.1. An Agreement may be negotiated as dependent (dependent Agreement) on another Agreement (main Agreement). In this case, the conclusion of a dependent Agreement shall be conditioned by a conclusion of a main Agreement; the termination of the main Agreement shall result in the termination of the dependent Agreement.

2.4. Contractual Claims

- 2.4.1. The Customer shall not be authorised to assign any claim from the Agreement to a third party without a prior written consent of the Bank.

3. BANK SECRET, PERSONAL DATA PROTECTION AND CONSENTS OF CUSTOMER

- 3.1. Pursuant to general law, the bank secret shall apply to all Banking Services. The Bank shall provide the information having the nature of a bank secret to third parties without the consent of the Customer only in the cases and within the scope defined by general law. The Customer agrees to the Bank being authorised to provide information on the size of the secured claim of the Bank to individuals securing such claim.

3.2. Processing of Personal Data

- 3.2.1. The Bank shall process the personal details of the Customers or their Statutory Representatives, Representatives and Authorised Persons in a manner and within the scope arising from the field of its activity. When processing personal details, the Bank shall consistently meet all the requirements set out by general law. The principles of processing personal details by the Bank, including the definition of purposes, legal bases and rights of the Customer or his/her Statutory Representatives,

Representatives and Authorised Persons in relation to the protection of their personal details, are described in greater detail in the document entitled "Memorandum on Processing of Personal Details", provided to the Customers or their Statutory Representatives, Representatives and Authorised Persons upon conclusion of a contractual relationship and made available on the Homepage of the Bank.

4. LIABILITY OF The BANK

- 4.1. The Bank shall be liable to the Customer for any damage caused to the Customer as a result of the breach of the obligations of the Bank, resulting from general law or the contractual arrangement with the Customer except for situations described further in this part of the BTC.
- 4.2. Should the misconduct of the Customer have contributed to damage (i.e. having failed to provide necessary assistance), the Bank shall not be liable for the damage within the scope corresponding to the scope within which the Customer contributed to its occurrence. The Bank shall also not be liable for the damage within the scope within which it was not foreseeable; an unforeseeable damage shall be damage representing lost income of the Customer or damage which does not occur as an immediate result of breaching the legal obligations of the Bank (subsequent damage).
- 4.3. Should the Bank fulfil its contractual conditions in accordance with the requests of the Customer by giving a certain request received from the Customer to a third party that will perform it on its own account on behalf of the Customer or should the Bank use the services of a third party to perform the request, the Bank shall be liable for the damage which arose as a result of the activity of such third party to the Customer, unless the Bank selected such third party with due professional care. Should the third party have been selected by the Customer, the Bank shall not be liable. Should it improve the position of the Customer when seeking compensation of damage from a third party, the Bank shall assign the relevant rights against the third person to the Customer.
- 4.4. The Bank shall not be liable for the damage if it resulted from a circumstance excluding liability pursuant to Section 2913 (2) of the Civil Code. A circumstance excluding liability shall also be an unexpected development in financial markets, a defect of the remote communication means used by the Customer or the Bank (i.e. a defect of the internet connection or software) as well as a failure of any other technical means not caused by the Bank.
- 4.5. The Bank shall be authorised to refuse to perform a Banking Service if this could result in a conflict of interest between the Bank and the Customer or between various Customers, a breach of a legal obligation of the Bank to act prudently or another breach of general law.
- 4.6. The Bank shall be authorised to postpone a performance of a Banking Service for a period of time necessary to verify the data and facts specified in the documents provided to the Bank by the Customer in connection with the Banking Service.
- 4.7. The Bank shall not be liable for the damage incurred to the Customer as a result of a request made by the Customer or in connection with actions based on trust in another communication of the Customer. The Customer shall compensate the Bank for any damage, liability, raised claim or costs (including costs for legal assistance), incurred to the Bank in connection with its due actions based on the request of the Customer.
- 4.8. Unless it is otherwise explicitly stipulated, the Bank shall not be liable for any losses incurred to the Customer as a result of a movement of exchange rates and interest rates during the provision of Banking Services.
- 4.9. The Bank shall not be liable for damage caused by unlawful actions of the Customer or a third party (e.g. if it was provided with a forged principal or if it was otherwise deceived).
- 4.10. The Bank shall not be liable for any losses, damages, costs or expenses incurred to the Customer as a result of the Bank fulfilling the request made using Security Features (regardless of the fact whether the request was made by the Customer in person or whether it was made with his/her consent or authorisation or whether it was made without such consent or authorisation); the Customer shall compensate the Bank for any losses, damages, costs, expenses and fees (including the full expenses for legal representation), incurred to the Bank as a result of such a request; this shall not apply in the case of Payment Orders.
- 4.11. Unless it is otherwise stipulated by law, the Bank shall not be liable for consequences of the decisions and procedures of the Customer, not even if they were performed in the light of the opinion of the Bank. The Bank shall not be liable for the business of the Customer or the purpose of use of the funds.
- 4.12. The Bank shall not be obliged to inform the Customer beyond the information obligations resulting from general law as well as the obligations which the Bank explicitly contractually confirmed of usual risks associated with the requested Banking Service (i.e. the risk of loss) or other facts which may be substantial for the Customer to decide whether and which respective Banking Service he/she will use.
- 4.13. Should the Bank establish that any communication or confirmation delivered to the Customer was incorrect as of the date of its issuance, the Bank shall inform the Customer hereof without undue delay; should this occur after the expiration of the time period, the Customer shall be authorised to request the Bank to document such error.

5. ACTIONS OF CUSTOMER, REPRESENTATION, SIGNING

- 5.1. The Customer takes legal actions in relation to the Bank in person (if an individual entrepreneur is concerned) or through his/her Statutory Representative (if a legal entity is concerned). Unless otherwise defined by the Bank, the Customer may also be represented by a Representative.
- 5.2. The Representative shall be obliged to document his/her authorisation to act on behalf of the Customer by presenting the original Power of Attorney, a court decision or another document which the Bank considers sufficient.
- 5.3. For the purposes of acting on behalf of the Customer to the Bank, the Power of Attorney must be particular, written, sufficiently specific, granted and signed by the Customer in person, in the case of a legal entity by individuals acting on its behalf (Statutory Representative, Representative). The signature of the Customer on the Power of Attorney must be certified or verified in another usual manner (i.e. by a banker using the original when negotiating a Banking Service). Should the Power of Attorney fail to meet the requirements above or should the Bank doubt the existence, authenticity or validity of the Power of Attorney, the Bank shall be authorised to reject such Power of Attorney.
- 5.4. Should the Representative have documented his/her authorisation to act on behalf of the Customer to the Bank, the Bank shall also be exempt from any of its obligations to the Customer and shall provide services to the Representative to the Account of the Customer if a performance within the scope of his/her authorisation is concerned; in the case of doubt, the authorisation shall relate to all Banking Services.
- 5.5. The Customer shall be authorised to withdraw or change the authorisation of the Representative at any time and shall inform the Bank of such step without undue delay in a written notification. The withdrawal or change of scope of authorisation shall become effective to the Bank when the Bank is provably informed of such change.
- 5.6. Should the Agreement with the Bank be concluded by several individuals on the part of the Customer or the provider of security, unless otherwise explicitly stipulated in the Agreement, these individuals shall be jointly and severally obliged and authorised by the Agreement. In such a case, the Bank shall also be exempt from its obligation to perform if it provides performance to any of these individuals to the full extent, even if it is a divisible performance; this shall apply also in relation to any other obligation of the Bank (e.g. information obligation). Individuals with a joint contractual obligation shall be obliged to mutually inform each other without undue delay of all facts which are substantial for the contractual relationship with the Bank.
- 5.7. The Bank may always request that the signature of the Customer, his/her Statutory Representative or Representative, which has not been made in front of the employee of the Bank be certified.
- 5.8. Should the Bank conclude a Distance Agreement with the Customer, the Customer expresses his/her will to conclude such Agreement by means of an authorisation pursuant to Article 14.3. of the BTC. For the purposes of this method of concluding an Agreement, the Customer shall explicitly agree to the form of his/her authentication and authorisation specified in Article 14.3. of the BTC.
- 5.9. The Customer may define Authorised Persons who are authorised to dispose of the funds in the Accounts of the Customer based on a respective authorisation resulting from the Agreement. Unless it is otherwise explicitly stipulated in the Agreement, the respective Authorised Person may dispose of the funds in the Account in person.
- 5.10. The authorisation of the Authorised Person to dispose of the funds in the Account of the Customer shall expire by the Customer withdrawing such authorisation or by the respective Authorised Person cancelling such authorisation.

6. COOPERATION OF CUSTOMER

- 6.1. The Customer, his/her Statutory Representative or Representative shall be obliged to prove their identity at any time the Bank requests them to do so before concluding the Agreement with the Bank and then during the Agreement. The Customer shall be obliged to provide the Bank with a document of association and his/her legal existence. Should a Customer at a stage before association be concerned, the Customer shall present an original or a certified copy of documents evidencing his/her due association, i.e. Memorandum of Association or Articles of Association, or provide additional information and documents as requested by the Bank set out in particular pursuant to the Anti-Money Laundering Act. The Bank may request documentation of the origin and the source of funds or documentation of the purpose and the nature of the intended or performed transaction.
- 6.2. The Customer shall be obliged to notify the Bank without undue delay of the following facts:
 - (a) Any change of his/her name or business name, address of business or seat or other data provided to the Bank in connection with the Agreement or any change of the Agreement or during the provision of any Banking Service;
 - (b) Expiration of the authorisation of the Representative or any authorisation which has been granted and which may be used when negotiating with the Bank or a change of the person of the Statutory Representative which has not been entered in the Commercial Register or another public register or a similar foreign register yet;
 - (c) Any facts and changes which may be reasonably assumed to have a significant impact on the Banking Services (e.g. loss or theft of identity document, Payment Instruments);

- (d) Any changes or events which may be reasonably assumed to have a negative impact on the ability of the Customer to meet his/her obligations to the Bank (e.g. existence of outstanding liabilities, insolvency proceedings, entry into liquidation), regardless of whether these facts are specified in the publicly accessible register (i.e. in the Commercial Register) or not;
- (e) A fact resulting in him/her, having a special relationship with the Bank pursuant to the Act on Banks.
- 6.3. The Customer shall always be obliged to become informed of the content of every message delivered him/her by the Bank (including messages sent him/her through IB) without undue delay. In the case of Account statements, statements of loan accounts, confirmations of Payment Transactions and similar messages, the Customer shall be obliged to check whether the data specified herein are correct and complete and immediately notify the Bank of any established discrepancies. The Customer shall also inform the Bank without undue delay of the fact that a regular Account statement or a similar periodic communication has not been delivered to him/her within the usual time frame.
- 6.4. For the purposes of the Act on International Cooperation in Tax Administration, the Customer shall be obliged to inform the Bank during the signature of the Framework Agreement whether the Account of the Customer is an American account. Should the Customer fulfil the condition of the American account during the Framework Agreement, the Customer shall be obliged to inform the Bank of such fact without undue delay. The Customer hereby explicitly declares to have had the opportunity to carefully read the Foreign Account Tax Compliance Act (FATCA) on the website of the US tax authority www.irs.gov as well as the documents published on the website of the Czech Financial Administration <http://www.financnisprava.cz/cs/mezinarodni-spoluprace/mezinarodni-zdanovani-prime-dane/fatca> and to understand the meaning of these documents.
- 6.5. As of the day of every single banking business performed with the Bank, the Customer declares not to be a politically exposed person pursuant to the Anti-Money Laundering Act. Should a change connected with this position of the Customer occur during the Framework Agreement, the Customer shall be obliged to inform the Bank of such fact without undue delay.
- 6.6. The Customer who is not a tax resident of the CR or is deemed to be the notified person for another reason based on the Act on International Cooperation in Tax Administration shall acknowledge that the Bank shall be obliged to provide relevant financial bodies of the CR with information on his/her Accounts (i.e. in particular the information on the balance and the overall size of interest income along with the identification data on the person of the Customer or his/her beneficial owners pursuant to the Act on International Cooperation in Tax Administration) for the purposes of its provision to the tax bodies of the country where, according to the available information, the Customer and/or his/her beneficial owners are or could be tax residents pursuant to the Act on International Cooperation in Tax Administration. This provision shall not apply to tax residents of countries outside the European Union with which the CR has not concluded the respective agreement or arrangement enabling the international exchange of information for tax purposes.
- 6.7. Should a Customer who is not a tax resident of the CR request that his/her entitlement to a more favourable tax arrangement, resulting from the Double Taxation Treaty binding for the CR, be applied, the Customer shall be obliged to provide the Bank with a confirmation of tax residency from the respective contractual country, where the competent tax authority confirms his/her tax residency for the purposes of the Double Taxation Treaty between the respective country and the CR. In the case of a rather significant volume of paid interest or in the case of any doubt, the Bank shall also be entitled to request a declaration of the Customer that he/she is the beneficial owner of the interest income and that this interest income paid to the Customer by the Bank is considered his/her income according to the tax law of the respective contractual country.
- 6.8. The Customer shall be obliged to provide the Bank with a confirmation of his/her tax residency upon request of the Bank, issued by the competent tax authority, even after a termination of the contractual relationship with the Bank.
- 6.9. The Customer shall be obliged to immediately inform the Bank in writing of the change of his/her tax residency and related facts (e.g. change or assignment of tax identification number).
- 6.10. The Customer shall be liable for any damage incurred to the Bank as a result of the application of an incorrect withholding tax based on false, incomplete or outdated information on his/her tax residency provided by the Customer or due to a failure to fulfil any of his/her obligation specified herein.
- 6.11. The Customer shall be obliged to duly archive all forms, data media and communication means provided him/her by the Bank and to handle them with due care. Should the Customer establish an extraordinary event such as a loss, theft, misuse or an unauthorised use of forms, data media or communication means, the Customer shall be obliged to immediately inform the Bank thereof in writing. The Customer shall be liable for damage and all other consequences resulting from the unauthorised use of the forms, data media or communication means until the Working Day following the day on which the Bank receives the respective notification from the Customer. Any forms of the Bank provided to the Customer by the Bank in electronic form may not be in any way amended by the Customer without the consent of the Bank (except for filling the requested data where specified).

7. MUTUAL COMMUNICATION

- 7.1. All requests, orders and notifications (messages) addressed by the Customer to the Bank must be legible and must unequivocally specify their content. Should the Bank have agreed special formalities of certain messages with the Customer, the message must contain these formalities.
- 7.2. The Customer and the Bank shall use the following communication means for mutual communication: consignments delivered by the Holder of Postal Licence, personal delivery or e-mail delivery, fax and SWIFT, Direct Banking, and Customer Centre; the Bank shall also use services of Other Couriers. Based on a mutual agreement, the Customer and the Bank may also use available interpersonal communication platforms, should legal and technical parameters be fulfilled. In the Agreement with the Bank, the Customer may agree on the use of other suitable communication means.
- 7.3. The Bank shall communicate with the Customer within the scope and in the manner stipulated in the Agreement also electronically (including the telephone and text messages). To enable mutual communication, particularly in relation to providing information concerning the Account balance and liabilities of the Customer to the Bank, the Bank may request that the Customer use Security Features assigned by the Bank or to be set by the Customer in Direct Banking. The Customer shall be responsible for the protection of Security Features. The Bank shall not be liable for losses and damages caused by misuse of the assigned Security Features. Unless it is otherwise specified in the Agreement, the Customer shall acknowledge that the communication between the Bank and the Customer is not encrypted or otherwise secured against access of third parties. The Customer shall acknowledge and agree that the Bank shall not have or assume liability for any damages caused as a result of an unauthorised access to electronic communication by a third party.
- 7.4. Unless the Customer and the Bank otherwise explicitly agree, the Bank and the Customer shall communicate in the Czech language. The Bank may also accept communication in another language in justified cases without a prior agreement, but always only within the scope defined by the Bank.
- 7.5. The Bank shall be authorised to request that the communications provided to the Bank by the Customer in a form other than written be additionally confirmed to the Bank in writing. Should the Customer fail to send the written confirmation to the Bank, the Bank shall not be obliged to proceed pursuant to such communication.
- 7.6. Should the communication of the Customer fail to contain the requirements of the Agreement for its form or content, the Bank shall not be obliged to proceed pursuant to such communication; instead, the Bank may contact the Customer and request a due confirmation or provision of additional information; the Bank shall not be liable for damage incurred as a result of such delay.
- 7.7. The Customer expressly agrees to the Bank being authorised to contact him/her by telephone between the hours of 8.00 and 22.00. Furthermore, the Customer agrees to the Bank being authorised to record any communication between the Bank and the Customer using any available technical means. In addition, the Customer agrees to the Bank archiving all records of communication performed by the Bank for an adequate period of time, and at least for the duration of any Agreement. In addition, the Customer agrees to the Bank making records of communication with the Customer even without any prior notification. In doing so, the Bank shall be obliged to protect the recorded data against their misuse.

8. DELIVERIES

8.1. Deliveries to Customer

- 8.1.1. The Bank shall send all notifications and documents to IB or to the business address or seat of the Customer, specified in the respective Agreement, or to the data box of the Customer (or to an address notified by the Customer later). The Customer and the Bank may agree that the notifications and other documents by the Bank may be sent to the Customer also to an address other than the address specified in the respective Agreement. The correspondence address shall be agreed by the Customer and the Bank at a Point of Sale in person; alternatively, the Customer may set it in Direct Banking. The Customer may only use one correspondence address to communicate with the Bank.
- 8.1.2. Should the Customer fail to accept documents at these addresses, the Bank shall be authorised to use the address specified in the Agreement or another available address of the Customer to deliver them.
- 8.1.3. In the cases when it is usual, the Bank shall be authorised to replace the signature of persons authorised to act on behalf of the Bank by mechanical means, particularly in the case of a bulk correspondence with Customers or a correspondence which is automatically generated by the Bank (e.g. Account statements, statements of loan accounts, dunning letters, notifications of a failure to perform a Payment Order, notices or other notifications for the Customer).
- 8.1.4. The Bank shall be entitled to send notifications and documents to the Customer also by fax, e-mail or using other technical means.

8.2. Deliveries to Bank

- 8.2.1. Unless the Bank otherwise stipulates in the respective Agreement, the Customer shall deliver the Bank all notifications and documents using a provable method as a registered consignment to the address of the Bank, Published by the Bank, by e-mail or in person to the Point of Sale.

8.3. Moment of Delivery

- 8.3.1. The consignments shall be deemed delivered when they become available to the Customer or another addressee, and:
- (a) Unless the contrary is proven or it is otherwise agreed, written communications in paper form, delivered by a Holder of Postal Licence, shall be deemed delivered on the third (3) Working Day in the case of a domestic consignment, on the tenth (10) Working Day in the case of a consignment to European countries and on the fifteenth (15) Working Day in the case of a consignment to countries outside Europe from the day of dispatch; this shall also apply to consignments which are returned as undeliverable;
 - (b) Unless the contrary is proven or it is otherwise agreed, written communications in paper form, delivered by Other Couriers or an employee of the Bank, shall be deemed delivered at the moment of acceptance or groundless refusal to accept the consignment;
 - (c) Communications of the Bank sent electronically through IB shall be deemed delivered when they are made available in IB;
 - (d) Communications of the Bank sent as a text message or another data message shall be deemed delivered when a device or a provider of communication services of the addressee receive a message about their acceptance.
- 8.3.2. For the purposes of communication with the Bank, the Customer shall be obliged to safeguard a full functionality of all technical means of communication, electronic addresses as well as a visible marking of his/her trading company at the correspondence address for the entire duration of the Agreement.
- 8.3.3. The Customer shall acknowledge that the Bank shall send the Customer consignments in paper form using a Holder of Postal Licence usually by a regular (not registered) mail.

9. SUBMISSION AND STORAGE OF DOCUMENTS

- 9.1. When the Agreement, the BTC, the PTC or another provision between the Bank and the Customer requests that the Customer provide the Bank with a certain document, the Bank shall not be obliged to accept a document drafted in a language other than the Czech language, unless it is otherwise agreed in the Agreement with the Customer. In other cases, the Bank shall be authorised to request that, upon submission of a document in a language other than the Czech language, the Customer also submit the Bank a certified translation of such document into Czech.
- 9.2. Furthermore, the Bank shall be authorised to request that compliance of any copy of an original document submitted to the Bank along with its original be certified.
- 9.3. The Bank shall reserve the right to make copies of the submitted documents for its own need in accordance with general law and to store them in accordance with general law.
- 9.4. Should the Customer provide the Bank with any documents issued abroad, the Bank shall reserve the right to request that these documents be legalised (higher authentication) or certified (Apostille) at the expense of the Customer pursuant to the Hague Convention Abolishing the Requirement of Legalisation for Foreign Public Documents of 1961. The previous sentence shall not apply, should the document have been issued in a country with which the CR has concluded a bilateral agreement acknowledging documents.
- 9.5. In the case of doubt, the Customer and the Bank shall work on the presumption that records and documents stored by the Bank and generated in a regular operation during the provision of Banking Services shall be decisive to determine the scope of mutual rights and obligations and shall have the decisive probative force; this shall not apply if they were unequivocally proven to be false to the Bank.
- 9.6. The Bank shall be authorised (but not obliged) upon its discretion to record or otherwise note all the requests of the Customer and the Customer shall agree to the Bank being authorised to use these recordings or records or their transcription, the Bank made for any reason, for the purposes the Bank considers suitable, also as evidence in a procedure against the Customer or a third party.

10. SETTING OFF, SECURING AND PRESCRIBING CLAIMS

- 10.1. The Customer agrees to the Bank being authorised to set off its due as well as undue claims against the Customer at any time, regardless of the currency in which they are denominated as well as the legal relationship from which they arise, against any due and undue claims of the Customer to the Bank, maintained by the Bank in any of the Accounts of the Customer. The Bank shall provide information of such a step in a suitable manner. Unless it is otherwise explicitly agreed, the Customer shall not be authorised to unilaterally set off his/her claims to the Bank against any of his/her debt to the Bank.
- 10.2. The Bank shall be authorised at any time to request that the Customer provide the Bank a sufficient security, be it along with the existing security, or to secure a liability which was not secured earlier, within the scope based on the expert evaluation of the Bank, necessary to ensure amortisation of all outstanding liabilities of the Customer to the Bank, even though such liabilities have restricted conditions or a time frame or have not become due yet. With the consent of the Bank, the Customer may also fulfil the obligation pursuant to this Article using a security provided by a third party.

- 10.3. The Customer shall safeguard that all the assets and rights as well as the enforceability of claims provided to secure a liability in favour of the Bank be preserved. The Customer shall be obliged to inform the Bank in writing without undue delay of the changes of value or saleability of the provided security and the Bank shall have the right to verify the value and saleability of the provided security at any time during its claim. The Customer shall maintain records and documents in a transparent manner, highlighting all securities provided to the Bank, making it obvious that the Bank is the lien creditor of the provided security.
- 10.4. The Customer shall be obliged to insure all the objects of security and assets obtained through a loan provided by the Bank within the scope requested by the Bank in the respective Agreement on the terms and conditions of security or Banking Services. The insurance must apply to all usual insurable risks. The Customer shall be obliged to restrict the transferability of the insurance benefits or other amounts to which the Customer shall be entitled according to the insurance terms and conditions to the Bank (regardless of their maturity). The Bank shall be authorised to use all the amounts paid, based on an insurance agreement to reduce its claim secured using such security, even though it is not due yet, including the case when the Customer does not compensate the lost or damaged objects of security. All the amounts paid, based on an insurance agreement exceeding the size of claims of the Bank to the Customer, including the interest and fees, shall be paid to the Customer.
- 10.5. The Bank shall also have the right to check in the place of business, the seat or the establishment of the Customer whether the security of the claims of the Bank is sufficient and whether the assets provided as security are handled adequately, whether they are adequately operated, secured and marked as the object of security of the Bank.
- 10.6. Should the Customer fail to cover his/her liabilities when they become due, the Bank shall be authorised to enforce all the rights arising from the provided security upon its own discretion pursuant to the respective law.
- 10.7. The Bank shall be authorised to use any assets of the Customer to rapidly set off its claims which are secured in full, using the respective security.
- 10.8. Upon its own discretion, the Bank may disclaim the entire security of its claims against the Customer or any part of such security, should the Bank cease to consider such security or its respective part necessary.
- 10.9. Unless it is otherwise explicitly agreed with the Customer in writing, the costs and expenses resulting from providing, maintaining, arranging, and enforcing the security shall be part of the liabilities of the Customer to the Bank, secured by the respective security.
- 10.10. Unless it is otherwise agreed with the Bank in writing, the Customer shall be obliged to provide the Bank with a security of at least the same type and quality as the Customer provides to any other of his/her creditors.
- 10.11. The Customer may not transfer the assets or the rights provided to the Bank as a security or pledge these assets or rights or offer them to a third party to secure the claim or for any other purpose without a prior written consent of the Bank, unless it is otherwise stipulated by law or in an agreement between the Customer and the Bank.
- 10.12. All objects or documents of ownership, including securities, received from the Customer or in favour of the Customer, which are or will be held by the Bank or by a third party on behalf of the Bank, be it for any reason, and all existing or future claims of the Customer to the Bank are and will be provided to the Bank as a security for any claims of the Bank to the Customer. Such security shall be deemed to arise when such objects or documents proving ownership are held by the Bank or a third party on behalf of the Bank; in the case of claims of the Customer to the Bank, when such claims arise.
- 10.13. Cancelled.
- 10.14. The Customer and the Bank shall agree upon a limitation period, during which they shall be authorised to mutually enforce the claims to each other, resulting from the Agreement, the BTC, the PTC or another provision between the Customer and the Bank, for the period of three (3) years from the beginning of the limitation period.

11. FEES AND COSTS

- 11.1. The Customer shall be obliged to pay Fees for the provided Banking Services, valid on the day of provision of the charged Banking Service, unless another record date to set the size of the Fee and other fees agreed in the Agreement is stipulated in the Price List or in the Agreement. In the case of termination of a contractual relationship between the Bank and the Customer, the Bank shall return the Customer a proportional part of the price, the Fee or another reward for providing the respective Banking Service, only when expressly defined by valid law or the respective Agreement.
- 11.2. In addition to Fees, the Customer shall also be obliged to pay the Bank:
 - (a) The costs of Evaluation,
 - (b) All costs and expenses incurred as a result of a breach of any obligation by third parties, arising from the Agreement, and/or
 - (c) Any extraordinary costs and expenses justifiably generated to the Bank by the Customer in connection with a Banking Service.

12. INTEREST

- 12.1. The Bank shall announce valid interest rates in the Interest Rate List. The Bank shall be authorised to change the size of the interest rate also to a zero or a negative value.

The Bank and the Customer have expressly agreed to the Bank, should it change the size of the interest rate in connection with the reference interest rate, announcing such change in form of a notification in the Interest Rate List on the Homepage of the Bank, by e-mail, through Direct Banking or in any other suitable manner. The change of the interest rate which is rather positive for the Customer may also be implemented without a notification. For the Accounts maintained in Czech crowns, the reference interest rate shall be the two-week REPO rate, announced by the Czech National Bank and published at www.cnb.cz, for the Accounts maintained in Euro, the rate shall be the "deposit facility rate", announced by the European Central Bank and published at www.ecb.europa.eu, and for the Accounts maintained in US dollars, the rate shall be the "federal funds rate", announced by the US Federal Reserve System and published at www.federalreserve.gov.

Should the change of the interest rate not be based on the change of the reference interest rate, the Bank shall notify the Customer of the proposed Amendment to the Interest Rate List no later than two (2) months prior to the day on which such Amendment shall become effective in writing or by e-mail and through Direct Banking. The Customer shall be entitled to reject the Amendment to the Interest Rate List no later than prior to the day on which such Amendment shall become effective and to cancel the respective Agreement with immediate effect as of the day of delivery of the cancellation to the Bank. Should the Customer reject the Amendment in writing and should the Customer fail to cancel the Agreement, the Bank shall consider such rejection to be a draft agreement to terminate the Agreement as of the day preceding the day on which the amendments shall become effective; the Bank shall terminate all services concerned by the proposed change as of such day. Should the Customer not reject the Amendment as of the date specified above, the Amendment shall be deemed to be agreed to by him/her. The Bank shall specifically inform the Customer of such consequence in a notification of the Amendment to the Interest Rate List.

- 12.2. Should the Customer be in delay with payment of any financial amount to the Bank, the Customer shall be obliged to pay default interest in the amount set out in the Interest Rate List and/or pursuant to general law.
- 12.3. Unless it is otherwise stipulated in the Agreement, the Bank shall use a calendar year of three hundred and sixty-five (365) days and the actual number of days when calculating interest.
- 12.4. Unless it is otherwise stipulated in the Agreement, the interest shall be calculated continuously. The interest shall always be settled at the end of the respective interest period.

13. CURRENCY EXCHANGE RATES

- 13.1. The Bank shall Publish the Currency Exchange Rates in the Exchange Rate List. The Customer shall be informed of the exchange rate also in the Account statement. The Bank shall unilaterally set the amount of exchange rates and their changes without a prior notification to the Customer based on the situation in financial markets. Unless otherwise agreed, the following rules shall apply to the conversion of funds:
- Should the Bank perform a conversion from a foreign currency into the Czech crown, the conversion is done using the Spot Rate of the Bank – buy;
 - Should the Bank perform a conversion from the Czech currency into a foreign currency, the conversion is done using the Spot Rate of the Bank – sell;
 - Should the Bank convert funds from one foreign currency into another (buy or sell), the conversion shall be done using the Spot Rates of currencies, defined in provisions a) and b) of this Section of the BTC or an Individual Rate;
 - In the case of a Payment Transaction by Card, the rules are set out in the PTC.
- 13.2. Pursuant to the Regulation of the European Parliament and of the Council (EU) 2019/518, the Bank shall inform the Customer of a discrepancy (difference) between the exchange rate of the Bank and the reference exchange rate of the European Central Bank (ECB) in the Exchange Rate List. The Bank shall inform the Customer without undue delay after performing a card Payment Transaction in a currency of the EU other than the currency of the Account of the Customer (except for USD) of a deviation (difference) regarding the performed Payment Transaction by e-mail or in another manner agreed between the Bank and the Customer.

14. DIRECT BANKING SERVICES

14.1. GENERAL PROVISIONS

- 14.1.1. Direct Banking shall be established and provided based on the Framework Agreement.
- 14.1.2. The Customer shall pay Fees for the use of Direct Banking. The Fees for the use of Direct Banking shall be charged by the Bank to the current Account maintained in Czech crowns or another Account set up by the Customer with the Bank, unless the Customer has a current Account in Czech crowns.

- 14.1.3. The Customer shall be authorised to enable Authorised Persons to access Direct Banking through Direct Banking or at a Point of Sale; a Statutory Representative may do so only at a Point of Sale.
- 14.1.4. Based on the rights set by the Customer, the Statutory Representatives and the Authorised Persons may view Accounts or set up single or repeated Payment Transactions and may subsequently authorise these Payment Transactions, if needed.
- 14.1.5. The Customer shall be authorised to cancel the authorisation of the Authorised Person to use Direct Banking at any time by removing the Authorised Person.
- 14.1.6. In the case of termination of the Framework Agreement, cancellation of access or blocking of Direct Banking to the Customer, Direct Banking shall automatically be cancelled or blocked depending on the specific situation.
- 14.1.7. During the provision of Direct Banking, the Bank shall proceed pursuant to the respective law, in particular the Payment Services Act. All matters not covered by the Framework Agreement, the BTC and the PTC shall be governed by the provisions of the Payment Services Act.

14.2. USE OF DIRECT BANKING

- 14.2.1. Direct Banking shall be available to the Users twenty-four (24) hours a day, seven (7) days a week. The Bank shall reserve the right to block access to Direct Banking or to change or to suspend the provision of Direct Banking for a necessary period of time, should it be needed for important, in particular security or technical reasons. The Bank shall also be authorised to suspend the provision of Direct Banking, should an insolvency procedure concerning the assets of the Customer commence, for an unlimited period of time during the insolvency procedure.
- 14.2.2. The language used for the operation of Direct Banking shall be the Czech or the English language according to the particular choice of the User.
- 14.2.3. To ensure a safe access to Direct Banking, the Bank shall in particular verify the identity of every User based on a signature of such User as a means to ensure data cohesion. Furthermore, the Bank shall in particular evaluate access data of the individual Users of Direct Banking.
- 14.2.4. The User shall be obliged to authorise some requests using a single Authorisation SMS Code, generated by the Bank based on a request of the User. The Authorisation SMS Code shall have limited time validity and shall be bound to a telephone number given by the User. The Bank shall be authorised to request authorisation using the Authorisation SMS Code as well as the additional authorisation based on re-entering of the Password.
- 14.2.5. The User shall acknowledge and agree to the Authorisation SMS Codes being sent by regular, unencrypted text messages.
- 14.2.6. The Bank shall not be liable for the cases in which Direct Banking cannot be used for reasons beyond the control of the Bank or its partners (e.g. during an interruption of electricity supply, an interruption of connection with the Bank through the internet, defects on the part of the mobile provider, strike).
- 14.2.7. The networks of electronic communications ensuring communication between the Bank and the User pursuant to these BTC shall not be directly controlled by the Bank, and thus the Bank shall not be liable for damage incurred to the Customer by their misuse. The respective providers of electronic communication services shall be obliged to ensure the protection of these networks and credibility of sent messages (in particular pursuant to Act No. 127/2005 Coll., on Electronic Communications, as amended).
- 14.2.8. The User may contact the Customer Centre by telephone or by e-mail. Valid contact details are specified on the Homepage of the Bank.
- 14.2.9. The language used by the Customer Centre shall be the Czech or the English language according to the particular choice of the User.
- 14.2.10. The Bank shall be obliged to ensure functionality of Direct Banking pursuant to the Framework Agreement and the wording of these BTC. The Bank shall undertake to provide the Security Features to the User in a manner enabling the use of these data only by the authorised User.
- 14.2.11. Pursuant to these BTC, a communication means in Direct Banking shall be:
 - (a) A personal computer fulfilling minimum technical requirements for the use of Direct Banking, Published by the Bank,
 - (b) Telephone (or a similar communication device).
- 14.2.12. The Customer shall be obliged to use Direct Banking and ensure its use by the User pursuant to the Framework Agreement and any other requests of the Bank, Published by the Bank. The Bank shall be liable for the functionality of Direct Banking on the assumption of compliance with the Framework Agreement and any other requests of the Bank.
- 14.2.13. The Customer shall be obliged to continuously check whether messages on performance of requests, set up in Direct Banking, correspond to the requests made and whether these requests were performed or rejected by the Bank.

- 14.2.14. The User shall be obliged immediately to inform the Bank of any established discrepancies and errors in the performed requests (at a Point of Sale or the Customer Centre).
- 14.2.15. The Bank shall only be liable for the data accepted and confirmed by the Bank. The Bank shall not be liable for any damage incurred by a false or a duplicate set-up of a Payment Order.
- 14.2.16. All information on the system of Direct Banking and its use have a confidential nature; the Customer shall be obliged not to use it or to prevent its use by the User in conflict with the purpose for which it was provided.

14.3. AUTHORISATION AND AUTHENTICATION OF CUSTOMER IN DIRECT BANKING

- 14.3.1. Authentication shall be an unequivocal verification and confirmation of identity of the User in Direct Banking. Authentication differs, depending on whether the User uses IB or TB. The Bank shall identify the User at a Point of Sale before using IB.
- 14.3.2. To authenticate access to IB, the Bank requests entry of the Login Number and Password or a single Authorisation SMS Code. The User may change the Login Number and the Password in IB at any time.
- 14.3.3. To authenticate access to TB, the Bank requests entry of the Login Number and selected items of the Password or answering control questions. To fully use TB, the User shall be obliged to allow the use of the Account in TB pursuant to the respective provisions of the PTC.
- 14.3.4. Authorisation shall mean consent of the User to a transaction entered in IB or TB by the User. The request of the User and his/her Authorisation shall be archived by the Bank.
- 14.3.5. Authorisation of individual requests in IB shall be performed by entering an Authorisation SMS Code and/or an additional authorisation based on re-entering of the Password or by confirming the request by pressing the respective button (e.g. "Yes", "I agree").
- 14.3.6. Authorisation of a request in TB shall be performed by entering an Authorisation PIN Code, set by the User in IB.
- 14.3.7. A request shall be authorised at a Point of Sale by entering the Authorisation SMS Code.

14.4. SAFETY OF DIRECT BANKING

- 14.4.1. The Bank shall take preventative measures within its sphere of influence, mitigating the risk of misuse of confidential information in Direct Banking. The Bank shall Publish such measures.
- 14.4.2. The User shall be obliged to protect the Security Features against their loss, theft or misuse.
- 14.4.3. The User shall be obliged to take such measures at his/her own expense which are technically feasible and adequate with respect to the usual risks of breaching the protection of confidential information to ensure safety of the Security Features and other confidential information in Direct Banking; for this reason, the User shall be obliged to comply in particular with the preventative and security measures and procedures below to ensure safety of confidential information:
- Not to record the Security Features, not to store them on any permanent data media or store each of them separately beyond the reach of third parties or not to record them in a manner enabling to link them to a particular Banking Service;
 - Not to enter the Security Features in front of a third party, not to communicate Security Features to third parties, including family members and close persons; furthermore, not to enable the automatic remembering of Security Features to enter Direct Banking especially when the communication device is used by several individuals;
 - To set the optional Security Features according to the rules Published by the Bank, in particular without any obvious link to one's person or close persons and to update them regularly;
 - To change the Security Features exclusively in IB. The telephone number of the Telephone for sending Authorisation SMS can only be changed at a Point of Sale or at a Customer Centre;
 - To change the optional Security Features immediately when suspecting that they have been given away;
 - Not to send the Security Features or personal data of the Customer based on any call sent by an e-mail, SMS or social media and to notify the Customer Centre of every such call without undue delay. The Bank never requests such data in this manner;
 - To enter the Security Features only at <https://www.equabanking.cz/> in a reliable browser and to check whether the browser does not give a security warning before entering the Security Features, e.g. concerning the reliability of the certificate of the SSL server;
 - To use Direct Banking only on devices and in networks which are duly secured against the misuse of confidential information;
 - To legally secure a device for the use of Direct Banking with an anti-virus protection and spyware protection as well as firewall and to regularly update these protective elements as well as the operation system of the respective device. Furthermore, the Customer shall be obliged to update programs in a standard manner and to regularly follow information on new threats, viruses, spyware etc. and to ensure the protection of such device in accordance with it;
 - Not to download and not to install freely available programmes on a device for the use of Direct Banking where one cannot be sure that they do not contain viruses or spyware and to secure the device against the remote access of third parties;
 - To contact the Customer Centre or a specialist in the field of cybernetic security in the case of an insufficient knowledge of how to secure the device for the use of Direct Banking;

- (l) To use the opportunity to be informed of the movements of funds in the Account or Accounts using SMS and/or e-mail;
- (m) To technologically protect the Telephone intended for sending the Authorisation SMS Codes as well as the devices intended for the use of Direct Banking (i.e. using an anti-virus protection and a spyware protection as well as firewall and to regularly update these protective features) and to secure the Telephone against the remote access of third parties;
- (n) To have the Telephone permanently under control and not to lend it (or its SIM card) to third parties without a sufficient control of their use of the Telephone;
- (o) To install only applications from reliable sources on the Telephone and never to install applications from an e-mail or Internet pages other than those of official distributors due to a possible virus. To use exclusively official shops, such as Apple iTunes, Google Play, Windows Marketplace or Samsung Galaxy Apps. The Customer is recommended to avoid the installation of applications from unknown sources and to become alerted before the installation of potentially harmful applications;
- (p) To secure the Telephone using an access code (numerical or graphic) to disable the use of the Telephone by a third party; such access code shall be kept secret and shall not be communicated to third parties or noted anywhere;
- (q) To immediately inform the Bank at a Point of Sale or at the Customer Centre in the case of any suspected programme error of the system of Direct Banking or an error, loss, theft or misuse in relation to the Security Features (e.g. destruction, loss or theft of device for the use of Direct Banking and/or the Telephone or their infection with viruses) or in relation to sending or receiving Payment Transactions and to subsequently actively cooperate with the Bank to implement the remedy suggested by the Bank. After every such notification, the Bank shall be authorised to disable the use of Direct Banking.

Failure to comply with these measures and procedures may result in a misuse of confidential information or Security Features and damage incurred to the Customer or a third party. The Bank shall be entitled to deem the failure to comply with these measures to be gross negligence. As a result of this negligence, the Customer shall be fully liable for all damages caused to the Customer or a third party until the moment the loss, theft or misuse of the Security Features or other confidential information in Direct Banking is reported to the Bank.

15. DEBITING AND CREDITING OF FUNDS

15.1. Moment of Performance of Payments

- 15.1.1. The obligation of the Bank to make any payment to the Customer shall be fulfilled by crediting the respective amount to the Account, unless another method is explicitly agreed in the Agreement.
- 15.1.2. The obligation of the Customer to make any payments to the Bank shall be fulfilled by debiting funds in the respective amount from the Account, unless another method is explicitly agreed in the Agreement.
- 15.1.3. The Customer shall be obliged to ensure that a sufficient balance is available in his/her Account as of the due day of his/her debt, should the debt be covered by debiting an amount from his/her Account.

15.2. Deductions and Reductions

- 15.2.1. The Customer shall perform all payments according to the Agreement in full and without any deductions or reductions (including tax deductions or reductions), unless such deductions and reductions are requested by general law. Should the Customer perform any deduction as a result of such legal obligation, the debt of the Customer shall be increased in order for the Bank to receive the amount equalling the original value, i.e. excluding the effect of tax deduction.
- 15.2.2. All the payments to be made by the Customer to the Bank are excluding VAT. Should an obligation of the Bank to pay VAT arise in connection with any payment pursuant to the Agreement (including payments to cover costs or damages incurred to the Bank), the Customer shall be obliged to cover the Bank with the respective payment, as well as the respective amount of VAT.
- 15.2.3. As a tax payer, the Bank shall perform tax deductions (including a tax deduction from interest income from the Banking Services) pursuant to the respective law and other general law valid in the CR, except for the cases when otherwise defined by a respective international double taxation treaty.

15.3. Order of Settlement of Claims

- 15.3.1. Should the Bank have more due claims against the Customer, the funds which the Bank receives or collects from the Customer, from any third party or which the Bank receives from a security, shall be used to cover due claims of the Bank against the Customer in a manner and in the order set by the Bank. To avoid any doubt, the Bank and the Customer have agreed to exclude the application of the provision in Sections 1932 and 1933 of the Civil Code.

16. OTHER AUTHORISATIONS OF THE BANK

- 16.1. With respect to its legal obligation to act prudently when providing the Banking Services, the Bank shall be authorised to perform an Evaluation before concluding an Agreement, as well as at any time during the contractual relationship. In doing so, the Customer shall be obliged to provide the Bank with all the assistance the Bank may request, in particular to provide information and make accessible the documents requested by the Bank or to otherwise grant the Bank access to the necessary information and documents.

- 16.2. The provision of certain Banking Services, their scope or other conditions of mutual obligations between the Bank and the Customer may be conditioned by a certain size of the Credit Turnover of one or several Accounts maintained for the Customer by the Bank. Should this condition fail to be fulfilled, the Bank shall be authorised to restrict or suspend the provision of relevant Banking Services.
- 16.3. The Customer agrees to the Bank being authorised to use any records, recordings and copies of documents made pursuant to the Agreement as evidence in the event of a dispute with the Customer.

17. EVENTS OF INFRINGEMENT AND CONSEQUENCES OF EVENTS OF INFRINGEMENT

- 17.1. Should an Event of Infringement occur, unless the Bank decides to use its authorisation to withdraw from the Agreement or before the Bank takes such step, the Bank shall also be authorised to:
- (a) Suspend or restrict the provision of Banking Services to the Customer at least until the Event of infringement and/or the consequences which arose from such Event of Infringement are resolved, or
 - (b) Impose a Remedial Action on the Customer.
- 17.2. Events of Infringement
- (a) The Customer and/or any member of the Group of the Customer breaches his/her obligations from any Agreement;
 - (b) Any (financial or non-financial) liability of the Customer and/or any member of the Group of the Customer towards the Bank or a third party or another member of the Group of the Customer becomes overdue;
 - (c) A declaration or a guarantee of the Customer and/or any member of the Group of the Customer made for the Bank transpires to have been untruthful, incorrect or substantially incomplete at the time when it was made;
 - (d) The funds provided by the Bank are or were used by the Customer or a third party in conflict with the purpose or manner of using them, defined in the Agreement;
 - (e) The Customer and/or any member of the Group of the Customer failed to provide assistance to the Bank during an Evaluation or a check;
 - (f) The Customer and/or any member of the Group of the Customer failed to provide or replenish the requested security or otherwise failed to fulfil the conditions of security defined in the Agreement;
 - (g) The Customer failed to take Remedial Action or failed to meet the obligations contained in the adopted Remedial Action duly and timely;
 - (h) The Customer failed to meet his/her information obligation to the Bank based on any Agreement or other provisions or based on general law or the Customer failed to prove the source of funds or the purpose of the payment transaction;
 - (i) Mutual trust between the Customer and the Bank was severely breached as a result of the steps of the Customer and/or any member of the Group of the Customer;
 - (j) The Customer and/or any member of the Group of the Customer faces bankruptcy or an imminent bankruptcy or steps were taken to initiate an insolvency procedure or to initiate liquidation or an event occurred which would have an effect similar to an effect of any event specified in this Article according to a foreign legal system, should this legal system apply to the evaluation of the respective event;
 - (k) The Customer and/or any member of the Group of the Customer announced the intention to stop meeting any of his/her liabilities or started to negotiate with his/her creditor or creditors to postpone the maturity of any of his/her liability;
 - (l) The provision of any Banking Service to the Customer and/or any member of the Group of the Customer shall be in conflict with valid law binding for the Bank.

18. FINAL PROVISIONS

- 18.1. The Bank is the holder of the banking licence issued by the CNB pursuant to the Act on Banks. The activities of the Bank shall be subject of the supervision by the CNB.
- 18.2. Unless it is otherwise explicitly stipulated in the Agreement, the Bank shall Publish notifications, other communications or documents, should the BTC or the PTC set the Bank the obligation to do so.
- 18.3. The Bank shall provide the Banking Services within the full scope on Working Days. With regard to local conventions, the Bank may set some other days on which the Bank shall not provide the Banking Services or on which the Bank shall provide the Banking Services beyond the scope of the Published Hours.
- 18.4. Should the BTC, the PTC or any other document be executed in the Czech version as well as another language version or should they be executed bilingually, the version in the Czech language shall always prevail.
- 18.5. Should any provision of the Agreement become invalid, ineffective or unenforceable in any respect according to the valid law, the validity, effectiveness, enforceability or legal soundness of the remaining provisions of the Agreement shall not be affected by this. For these cases, the Bank and the Customer shall be obliged to replace without undue delay such invalid, ineffective or unenforceable provision of the Agreement with a valid, effective and enforceable provision which as closely as possible corresponds to the sense and purpose of the original provision.

- 18.6. The Bank shall Publish all information intended for the Customer, concerning the Banking Services, including the valid versions of the BTC, the PTC, the Price List and the Interest Rate List.
- 18.7. Legal relations concerning the provision of the Banking Services shall be governed by the legal system of the CR.
- 18.8. Any disputes between the Customer and the Bank, arising from the Banking Services, shall be resolved by the competent courts of the CR. The Bank and the Customer shall strive to settle all disputes, resulting from their relationship, by conciliation. The manner and forms of an out-of-court investigation into disputes shall be defined by the Published procedure to settle claims and complaints of the Customers.
- 18.9. Should a dispute between the Customer and the Bank occur during the provision of the Banking Services, the Customer shall be authorised to contact a financial arbitrator, operating according to the Act on Financial Arbitrator, with a proposal to resolve the dispute.
- 18.10. In the case of a complaint concerning the Banking Services, the Customer may also contact the CNB.
- 18.11. These BTC shall become effective on **19 April 2021**.

19. DEFINITION OF TERMS

Unless it is otherwise stipulated in these BTC, capitalised terms shall have the following meaning:

American Account – shall mean that the Customer, for whose business name the Account is maintained, is its beneficial owner, i.e. the Authorised Person, and that he/she is a US citizen, a US resident or is born in the USA, resides in the USA based on a green card or has a correspondence address or a contact telephone number there or has his/her place of business or a seat in the USA.

Authorisation PIN Code – shall mean a six-digit personal identification code for authorisation in TB.

Authorisation SMS Code – shall mean a set of authorisation numbers, enabling the User to authorise his/her requests for the Bank. The Authorisation SMS Code shall be sent to the User as an unencrypted text message to the Telephone number the Customer gave.

Bank – shall mean Equa bank a.s., ID No. 47116102, seated in Prague 8, Karolinska 661/4, Postcode 186 00, entered in the Commercial Register, maintained by the Municipal Court in Prague, Section B, Insert 1830.

Banking Services – shall mean all banking services and products, including the Payment Services provided to the Customer by the Bank.

Security Features – shall mean personal security features of Direct Banking, which are provided/assigned to the Customer by the provider of Payment Services to verify the identity of the Customer or the validity of use of a specific Means of Payment, in particular the Login Number, the Password, the Authorisation SMS Code, the Authorisation PIN Code, the E-PIN, the User Number, the User Name, Biometric Data (e.g. fingerprint, face recognition, etc.).

CNB – shall mean the Czech National Bank, ID no. 48136450, seated in Prague 1, Na Příkopě 864/28, Postcode 115 03.

CR – shall mean the Czech Republic.

Authorised Person – shall mean an individual who is authorised to dispose of funds of the Customer based on the relevant authorisations. The Authorised Person shall not be authorised to amend or terminate the Agreement in any way.

Model of Authorised Person – shall mean the document entitled Acting of Statutory Representatives of the Customer in Relation to the Bank.

Available balance – shall mean free funds in the Account of the Customer or an Accounting Balance reduced by the respective blocked amounts or increased by an overdraft.

Homepage of the Bank – shall mean the website of the Bank, i.e. www.equabank.cz.

VAT – shall mean Value Added Tax.

Holder of Postal Licence – shall mean in particular Ceska posta, s.p., ID no. 47114983, seated in Prague 1, Politických veznu 909/4, Postcode 225 99.

Financial Centre – shall mean in particular a place where interest rates for the respective currency are listed and where payments in such currency are settled.

Password – shall mean an access code selected by the Customer, which, along with other Security Features, shall enable authentication of the User when accessing Direct Banking and an additional authorisation of some requests of the User when using the Direct Banking Services.

Evaluation – shall mean an evaluation of the Customer and any members of the Group of the Customer performed by the Bank with respect to their ability to repay all the claims of the Bank which arose or may arise to the Bank against the Customer or the members of the Group of the Customer in connection with concluding any Agreement; it shall also mean an evaluation of the scope and the value of security for the claims from the Banking Services, including the evaluation of individuals providing such security with respect to their ability to meet their obligation from such liability.

IB – shall mean the application of Internet Banking in Direct Banking.

Individual Exchange Rate – shall mean an exchange rate for higher amounts agreed with the Bank and set for the respective currency based on current market conditions in the financial markets where the respective currency is listed.

Other Courier – shall mean a courier service.

Card – shall mean a payment card.

Customer – shall mean an individual entrepreneur or a legal entity which enters into a business negotiation with the Bank to obtain a Banking Service, or an individual who concluded an Agreement regardless of whether such individual is termed to be the Customer or otherwise in the respective Agreement; for the avoidance of doubt, the Customer shall also be a municipality or a region as a legal entity (public-law corporation) according to the respective general law as well as the government as the legal entity.

Customer Centre – shall mean the customer line, enabled to set up additional Banking Services or to change the parameters of the Agreement, to perform Payment Transactions or to meet other requests of the Customer. Here, any loss, theft or misuse of the Card shall be reported; the telephone number shall be Published by the Bank and it is also given on the rear side of the Card.

Credit Turnover – shall mean the sum of amounts credited to the Account of the Customer maintained with the Bank for every calendar month; the calculation of its size does not include transfers from any other Account of the Customer maintained with the Bank, including a term deposit, transfers from internal accounts of the Bank and income from credit interest from funds in the Accounts of the Customer maintained with the Bank, unless the Bank otherwise stipulates so by a decision Published by the Bank.

Exchange Rate List – shall mean a list of exchange rates used by the Bank and Published by the Bank.

Civil Code – shall mean Act No. 89/2012 Coll., Civil Code, as amended.

Point of Sale – shall mean a branch or another outlet of the Bank in the CR, which provides the Banking Services.

Remedial Action – shall mean an instruction of the Bank for the Customer to meet a certain measure, which will result in eliminating or mitigating the effects of Events of Infringement.

Payment Instrument – shall mean a personalised device or a set of procedures, agreed between the Bank and the User, used by the User to make requests.

Payment Order – shall mean a request of the User to perform a Payment Transaction.

Payment Service – shall mean the provision of services within Payment Services.

Payment Transaction – shall mean the movement of funds in the Account.

PTC – shall mean the product (business) terms and conditions issued by the Bank for individual Banking Services, Published by the Bank.

Fee – shall mean a fee, reward and other payment for services provided by the Bank, the size of and the method of determining which are specified in the Price List.

Working Day (earlier Business Day) – shall mean any day on which the Points of Sale are open and intrabank or interbank transactions are being settled; for payments in a currency other than the Czech crown, this shall be any day on which banks are open and foreign exchange transactions are being settled in the Czech Republic and in the main Financial Centre for the currency in which the payments are made.

Spot Rate – shall mean a rate according to the Exchange Rate List, valid at the moment of performing the Payment Transaction.

Login Number – shall mean a unique number which unequivocally identifies the User and which is the same for IB and TB.

Direct Banking – shall mean the services of Direct Banking, in particular IB and TB.

Event of Infringement – shall mean a fact which constitutes a reason for withdrawing from the Agreement on the part of the Bank pursuant to Section 17 of the BTC; its scope may be further extended by the PTC or the Agreement.

Framework Agreement – shall mean the document entitled Framework Agreement on Provision of Banking and Payment Services of Equa bank a.s., which represents a framework agreement on the use of the Banking Services by the Customer according to the offer of the Bank.

Price List – shall mean the document entitled Price List of Fees for Individual Entrepreneurs and Legal Entities, containing valid Fees, charged by the Bank in connection with the provision of Banking Services, which is Published by the Bank.

Group of Customer – shall mean a group of individuals consisting of the Customer, individuals providing a security and all individuals in a controlling, controlled or influencing position towards the Customer and/or the individual providing a security and/or to each other.

Agreement – shall mean an agreement on the provision of a certain Banking Service, concluded between the Bank and the Customer, or an agreement which establishes a security for the claims from Banking Services, concluded between the Bank and the provider of the security; a reference to the Agreement shall be a reference to the content of the contractual relationship, including the provision of the relevant terms and conditions (BTC and PTC) and the Price List. The Agreement shall also be the Framework Agreement.

Distance Agreement – shall mean an Agreement concluded in Direct Banking.

Statutory Representative – shall mean an individual representing a statutory body of the Customer alone or along with other Statutory Representatives, being able to act within the respective scope on behalf of the Customer (i.e. Managing Director, Member of the Board, liquidator, manager of initial contribution).

Telephone – shall mean a mobile telephone or a similar communication device activated in a network of any mobile provider in the CR.

TB – shall mean telephone banking within the scope of Direct Banking.

Account – shall mean any account opened and maintained by the Bank for the Customer based on the Agreement.

Account Balance – shall mean a balance in the Account of the Customer, which does not reflect blocked amounts or any overdrafts.

USA – shall mean the United States of America as well as other territories administered by the United States of America.

Interest Rate List – shall mean the document entitled Interest Rate List for Individual Entrepreneurs and Legal Entities, containing a list of the size of interest rates for products offered by the Bank, which is Published by the Bank.

Publish – shall mean to make available a document in the public areas of the Points of Sale or on the Homepage of the Bank or in another suitable manner.

User – shall mean an identified Authorised Person or a Statutory Representative, who may use Direct Banking.

BTC – shall mean the document entitled Business Terms and Conditions of Equa bank a.s. for Individual Entrepreneurs and Legal Entities, Published by the Bank.

Act on Banks – shall mean Act No. 21/1992 Coll., on Banks, as amended.

Act on Financial Arbitrator – shall mean Act No. 229/2002 Coll., on Financial Arbitrator, as amended.

Act on Payment Services – shall mean Act No. 370/2017 Coll., on Payment Services, as amended.

Business Corporations Act – shall mean Act No. 90/2012 Coll., on Business Corporations and Cooperatives (Business Corporations Act), as amended.

Act on International Cooperation in Tax Administration – shall mean Act No. 164/2013 Coll., on International Cooperation in Tax Administration and on the Amendment of Certain Related Acts, as amended.

Anti-Money Laundering Act – shall mean Act No. 253/2008 Coll., on Selected Measures against Legitimisation of Proceeds of Crime and Financing of Terrorism, as amended.

Representative – shall mean an individual who is authorised to act on behalf of the Customer with the Bank within the scope defined by the Customer based on a Power of Attorney (agent) or based on general law or a decision of a competent body (i.e. legal representative, guardian); A Representative shall not be an individual who only delivers a memorandum signed by the Customer to the Bank.

Application – shall mean a document containing the data requested by the Bank, which originated (a) on the Homepage of the Bank by filling in and sending by the Customer, (b) during a telephone call of the Customer with the Bank when the Customer provided the necessary data, (c) by entering the requested data which the Customer provided to the representative of the Bank.