

PRODUCT TERMS AND CONDITIONS FOR CURRENT ACCOUNTS, TERM DEPOSITS AND DEBIT CARDS OF EQUA BANK a.s. (INDIVIDUALS)

1. INTRODUCTORY PROVISIONS

- 1.1. The Product Terms and Conditions for Current Accounts, Term Deposits and Debit Cards of Equa bank a.s. (hereinafter "PTC") shall govern the rules for provision of specific Banking and Payment Services pursuant to the Framework Agreement on Provision of Banking and Payment Services of Equa bank a.s. (hereinafter "Agreement") and/or Price List, Terms and Conditions of Payment Services, and General Business Terms and Conditions (hereinafter "T&C"), whose integral part the PTC are, and in connection to these documents.
- 1.2. Capitalized terms or phrases herein shall have the meaning defined in Article 5 or a meaning specified in individual provisions hereof or in T&C or Terms and Conditions of Payment Services. The definition shall be applied both for singular and plural forms.

2. CURRENT ACCOUNTS

2.1. GENERAL CONDITIONS FOR ACCOUNT OPENING

- 2.1.1. The Bank shall open the Account based on the Agreement, from the date and in the currency agreed in the Agreement and exclusively for non-business purposes, unless specified otherwise in the Agreement. The Agreement shall be concluded by the Bank upon the Request of the Client. The Bank shall be entitled to reject the Client's Request and shall inform the Client thereof.
- 2.1.2. The Bank shall not open anonymous Accounts.
- 2.1.3. The Bank shall open and maintain Accounts in Czech crowns (CZK), Euros (EUR), US dollars (USD), and other currencies (depending on the current offer of the Bank), if needed, as separate Accounts.
- 2.1.4. The Bank shall assign a Unique Identifier to every Account which the Bank shall use upon mutual communication with the Client concerning the respective Account. The Bank shall be entitled to unilaterally change the Unique Identifier, if stipulated by a legal regulation or for serious operational reasons and if another procedure is not possible in such case. The Bank shall notify the Client thereof in writing well in advance.
- 2.1.5. The Bank shall be entitled before Account opening to request information from the Client about the purpose of the Account and other information required (i) pursuant to general law or T&C and/or (ii) for reasons of taxation and accounting.
- 2.1.6. The Bank shall be entitled to set a minimum account balance or deposit upon Account opening. The Bank shall inform the Client thereof in the Price List upon request.
- 2.1.7. The Client shall be entitled to request an additional Account if the first Account which the Client requested is already active. The Client shall request the opening of another Account by means of Direct Banking Service, Client Centre or at a Point of Sale of the Bank. The Bank shall subsequently send a Confirmation of Account Opening to the Client.
- 2.1.8. The Bank shall be authorized not to open another Account with respect to the maximum number of Accounts to be opened for one Client in the respective currency or for other reasons, if applicable.
- 2.1.9. The Bank shall be authorized to condition the opening of Account in a foreign currency by opening of another Account in the specified currency.
- 2.1.10. The Client may be provided with complementary services for the Account – especially various types of insurance – whose provision is linked to this Account. The Bank shall be authorized to cancel or change the provision of these services for the respective Account type by announcement and notification sent to the Client at any time. The Client hereby agrees that the Bank provide necessary information about the Client to individuals providing complementary services if such individuals request the information in connection with provision of a complementary service to the extent necessary.

2.2. DISPOSAL OF ACCOUNT AND FUNDS IN ACCOUNT

- 2.2.1. Only the Client shall be authorized to dispose of the Account; Disposal of the Account shall be Account opening and cancellation, Account blocking or blocking of Account Card.
- 2.2.2. The Client or Authorized Person or Card Holder other than the Client shall be entitled to dispose of funds in the Account up to the amount of Available Balance. In case of an unauthorized overdraft of Available Balance in the Account, the Client shall be obliged to immediately pay the amount of unauthorized overdraft including interests, whose amount is specified in the Interest Rate List.
- 2.2.3. Disposal of funds in the Account shall mean the following for individual Accounts:
 - (i) Current Account – non-cash domestic/foreign Payment Orders with today's/future value date, single/standing, standard/priority, direct debit/SIPO set up in Direct Banking; further also cash Payment Transactions conducted by Card;

- (ii) Term Deposit – non-cash Payment Orders in the Client's Accounts or remittance from the Current Account to the Term Deposit Account in the same currency upon opening and vice versa.

2.2.4. The Client shall be entitled to dispose of the funds in the Account by means of Direct Banking Service or Client Centre, if such Disposal is agreed by the Client, and/or using Internet Banking at a Point of Sale of the Bank or by Card.

2.2.5. The Bank shall be entitled to dispose of the funds in the Account of the Client or to debit funds without the Client's consent, if stipulated by general law or the Agreement, in the following cases:

- (i) To credit the Bank's due receivables from the Client which were not paid within the defined deadline and furthermore within the clearing authorization of the Bank, also to pay due interests, Fees and costs of the Bank or to make accounting adjustments under conditions stipulated by general law;
- (ii) Based on a final and enforceable decision of the competent court or public authority;
- (iii) Upon reimbursement of a pension which was paid out without authorization and credited to the Client's Account after the Client's decease;
- (iv) If an amount of announced Payment Transaction which had not been paid to the Bank was credited to the Account.

2.3. INTEREST ON ACCOUNT

2.3.1. The Bank shall pay interest on credit balance in the Account using an interest rate published in the Interest Rate List and currently valid for the respective Account type. A change of such rate shall be particularly based on changes of reference interest rate announced by the CNB and further on changes in the banking market and of the business policy of the Bank. In case of an interest rate change, the Bank shall inform the Client about the new interest rate in the Interest Rate List on a Business Day before such change becomes effective at the latest.

2.3.2. Interests shall be calculated based on the daily Account balance for the respective period of time based on the actual number of days of the year totalling 365 days. Interests shall be calculated with 2 decimal places and shall be credited to or debited from the Client's Account on a monthly basis as of the last day of every month. If the calculated daily interest falls below 0.01 in the Account currency, the interest shall be rounded down and shall not be credited in the respective period.

2.3.3. The interest shall be subject to taxation pursuant to legal regulations valid as of the day on which the respective interest is credited. Interest on funds in the Account shall start on the day of their crediting to the Account and shall end on the day preceding debiting of funds from the Account. In case of Account cancellation interests shall become due on the day of its cancellation.

2.4. FEES

2.4.1. The Bank shall be entitled to charge a monthly Account Maintenance Fee and other Fees related to the provision of Banking and Payment Services in the amount and manner specified in the Price List.

2.4.2. The Banks shall debit the amount representing payment of other Fees or expenses and costs of the Bank, to whose payment the Bank shall be entitled, directly from the respective Account even if this may result in a debit balance in the Account, e.g. if there is no Available Balance in the Account corresponding with the amount of Fees. If the Bank fulfils obligations arising from general law (e.g. execution of a decision), the Banks shall be obliged to postpone the payment of Fees, expenses and costs of the Bank from the Account until such legal obligation is fulfilled.

2.4.3. The Bank shall be authorized not to charge an Account Maintenance Fee if the Client is in a termination period and in other cases upon the Bank's discretion.

2.5. SETTLEMENT OF FEES AND PAYMENT TRANSACTIONS, NOTIFICATIONS OF SETTLEMENT

2.5.1. All transactions in Accounts shall be conducted and cleared in the currency in which the respective Account is maintained. Transactions in another currency shall be converted by the Bank into the currency in which the Account is maintained. The Bank shall be entitled to charge a conversion Fee according to the Price List valid on the conversion day.

2.5.2. If the resulting amount to be credited to the Account is lower than the lowest currency unit of the Account, the Bank shall not conduct such Payment Transaction.

2.5.3. The Bank shall inform the Client about the Account balance, Account turnover, all Payment Transactions, and all charged Fees by means of Account statement provided to the Client as agreed for the agreed calendar period. Unless stipulated otherwise in the Agreement, the agreed calendar period shall be one month.

2.5.4. Standard Account statements shall be issued electronically and shall be sent to the Client's inbox to be set up in Direct Banking Service. The Client and the Bank may agree that Account statements be issued and delivered also in paper form. The Bank shall charge the Client a Fee for issuance and delivery of Account statements depending on the statement form and delivery method.

2.6. TERMINATION OF AGREEMENT ON ACCOUNT MAINTENANCE AND ACCOUNT CANCELLATION

2.6.1. Termination of the Agreement from the Bank's side shall become effective after two months from the day of its delivery to the Client, unless a longer period of notice is defined in the Agreement or stipulated in the notice of termination from the Bank.

- 2.6.2. The Agreement shall not expire by decease of the Client. The Bank shall continue providing Banking Services (including conducting Payment Transactions) to the unchanged extent excluding those services which were to be provided only during the Client's life pursuant to the Agreement. Rights of other individuals whom the Client granted access to the Account shall not expire as well. The Bank shall dispose of the Account after conclusion of probate proceedings pursuant to the court decision on inheritance. If the court does not establish a heir who shall assume all rights and obligations of the deceased Client arising from the Agreement or if the court establishes more than one such heir, the Agreement shall expire by payment of all funds maintained in the Account to heirs at the end of the calendar month in which the Bank receives the final court decision on inheritance at the latest.
- 2.6.3. The Account shall be cancelled by expiration of Agreement. If the Bank does not maintain a Current Account for the Client after Account cancellation, the incurred receivable of the Client or receivable of the Bank to the Client shall be maintained in the internal records of the Bank without further accruing interest.
- 2.6.4. After Account cancellation the Client shall be obliged to return to the Bank Means of Payment provided for the Account on the initiative of the Bank, especially Cards not used to dispose of another Account, without undue delay.

3. TERM DEPOSIT

3.1. TERM DEPOSIT ACCOUNT

- 3.1.1. The Bank shall open a Term Deposit Account (hereinafter "Term Deposit") based on the Agreement if the Client concludes with the Bank an Agreement on Term Deposit in parallel with an Agreement on Current Account to be maintained in the same currency as the Term Deposit Account at the latest. The Term Deposit shall be governed by the respective provisions of PTC for Accounts.
- 3.1.2. Remitting funds to the Term Deposit, the Client shall provide the Bank with these funds for an agreed period and shall not be entitled to dispose of these funds before its maturity excluding a premature cancellation of such Term Deposit, which may be a subject to a Fee according to the Price List.
- 3.1.3. A Term Deposit may only be set up for a period published by the Bank in the Interest Rate List. A Term Deposit shall be set up (i) for a fixed period of time corresponding to the duration of a single Term Deposit, or (ii) for an unlimited period if an automatic recurrence of Term Deposit was agreed.
- 3.1.4. The minimum amount for setting up a Term Deposit and the minimum balance for maintaining a Term Deposit shall correspond with the minimum threshold of the lowest tier published in the Interest Rate List as of the day of setting up a Term Deposit.
- 3.1.5. The Bank shall provide Payment Services to a limited extent in relation to the Term Deposit; in particular other Payment Transactions than non-cash remittances of funds to the Term Deposit and Payment Transactions listed herein shall not be acceptable.
- 3.1.6. The Client and the Bank may agree that the Term Deposit be automatically recurred as of the last day of its duration (hereinafter "Day of Deposit Recurrence"); in such case the amount shall be assumed to be repeatedly paid to the Term Deposit Account from this day for the same period for which it was deposited originally (hereinafter "Recurring Term Deposit"). A Day of Deposit Recurrence may also be a day other than a Business Day.

3.2. INTEREST ON TERM DEPOSIT

- 3.2.1. The Bank shall pay interest on the Term Deposit using an interest rate in the amount published in the Interest Rate List valid as of the Day of Deposit Commencement. In case of a Recurring Term Deposit, the Term Deposit shall be remunerated by an interest rate corresponding to the interest rate published in the Interest Rate List as of every Day of Deposit Recurrence.
- 3.2.2. Interests shall accrue daily and shall be calculated based on the actual number of days and a year of 365 days in the Term Deposit currency. The interest period of Term Deposits of up to and including one year shall start on the Day of Deposit Commencement and its duration shall equal the duration of Term Deposit. The interest period of deposits over one year shall start on the Day of Deposit Commencement and its duration shall equal one year.
- 3.2.3. In case of Term Deposits of up to and including one year the Bank shall credit interests reduced by a respective tax as of the end of interest period to the Term Deposit Account and the credited interests shall be due together with the Term Deposit. In case of a Term Deposit over one year, the Bank shall credit interests reduced by a respective tax to the Term Deposit Account on a yearly basis and the Term Deposit shall be increased by this amount (capitalisation); the Client shall be authorized to agree in the Agreement on Term Deposit that interests be credited to a Current Account specified in the Agreement (in such case the Term Deposit shall not be increased). If such procedure is not possible, the interests shall be credited to the Term Deposit Principal.
- 3.2.4. A Recurring Term Deposit shall be increased as of the Day of Deposit Recurrence by the interests credited by the Bank at the end of interest period and reduced by a respective tax in favour of the Term Deposit Account according to the previous paragraph, unless stipulated otherwise by the Client. For Recurring Term Deposits the Client may instead agree in the Agreement on Term Deposit that interests be credited to a Current Account listed in the Agreement even in case of a Recurring Term Deposit of up to one year. If such procedure is not possible, the interests shall be credited to the Term Deposit Principal.

3.3. MATURITY OF TERM DEPOSIT

- 3.3.1. The Term Deposit shall be due as of its maturity date which shall be the last day of Term Deposit for single deposits and the maturity date stipulated pursuant to a paragraph hereof for Recurring Term Deposits. A maturity date is also a day other than a Business Day. If the Term Deposit is due on a day other than a Business Day, the funds shall be available for the Client on the next Business Day.
- 3.3.2. The Client shall be entitled to request an early disbursement of the Term Deposit in the course of its maturity; the Term Deposit shall become prematurely due as of the first Business Day following the delivery day of such request to the Bank at the latest. In case of an early cancellation of the Term Deposit the Bank shall calculate the interest yield from the Term Deposit as of the day of early withdrawal. The Fee for early withdrawal shall be paid by debiting the Term Deposit Account of the Client as of the day of early withdrawal.
- 3.3.3. If the Client delivers a request for deposit disbursement to the Bank at least one Business Day before the Day of Deposit Recurrence, the Term Deposit shall not be renewed automatically and shall be due as of the last day of its duration (e.g. as of the last Day of Deposit Recurrence).
- 3.3.4. The funds in the Term Deposit shall not be paid interest on after the maturity date of the Term Deposit and the Term Deposit balance shall be remitted to the Current Account maintained in the same currency upon the Client's request.

4. DEBIT CARDS

4.1. GENERAL INFORMATION

- 4.1.1. The Bank shall issue a Card of the respective card association to the Client.
- 4.1.2. The Bank shall issue the Card and provide related Banking Services to the Client for whom the Bank simultaneously maintains the Account pursuant to the Agreement concluded upon the Client's request for card issuance (hereinafter "Request"), or to another Card Holder, if applicable, to be specified by the Client. The use of various types of Cards may be further regulated by special conditions for the specific Card type; the specific Card type shall be listed in the Request, and the Client shall express consent also with these contingent conditions by signing the Request.
- 4.1.3. The Client may also link up to two Complementary Accounts to the Card. Such additional Accounts may be unlinked from the Card, if needed. The Client may link and also unlink Accounts using Direct Banking Services.
- 4.1.4. The Bank shall be entitled to reject the Request for Card Issuance of the Client.
- 4.1.5. The Agreement on Card Issuance shall be concluded for an unlimited period. The Agreement shall be concluded as an agreement dependent of the Agreement on Main Account Maintenance. Termination of the Agreement on Main Account Maintenance shall result in the termination of the Agreement on Payment Card Issuance. The termination of the Agreement on Payment Card Issuance is without prejudice to the Agreement on Main Account Maintenance.
- 4.1.6. The Bank shall be entitled to conclude more Agreements on Card Issuance with the Client and to issue several different Cards to the Client.
- 4.1.7. The Bank may also issue a Card for the respective Account intended for other individuals for whom the Bank does not maintain the Account for which the Card is to be issued under conditions listed herein.

4.2. CARD DISTRIBUTION AND PIN

- 4.2.1. After conclusion of the Agreement on Payment Card Issuance the Bank shall send the Card to the Client or Card Holder specified by the Client. The Bank shall send the Card by a regular postal delivery to the current contact address specified in the Request or otherwise communicated to the Bank by the Client or Card Holder. If the delivery shows signs of damage, the Client or Card Holder shall notify the Bank hereof.
- 4.2.2. After receipt of the Card, the Client or Card Holder shall activate the Card and also chose a PIN code of the Card without undue delay as instructed by the Bank and in the manner defined by the Bank using Direct Banking Service. The Client shall be obliged to use the Card in any ATM to fully activate the Card – e.g. to inquire the Account balance or withdraw cash or use the Card at a Point of Sale.
- 4.2.3. Activating the Card, the Client or Card Holder shall be granted the right to use the Card during its validity indicated on the Card, unless the Card validity is prematurely terminated. Until activation the Card shall remain inactive for security reasons. The Client or Card Holder shall be obliged to sign the Card in the signature strip placed on the rear side of the Card without undue delay upon Card delivery.
- 4.2.4. The end of Card validity shall be indicated on its front side in the MM/YY format. The validity shall end on the last day of the respective month and year. Activation of a reissued Card shall permanently block the original Card to be replaced by the reissued Card. The Card may no longer be used after validity expiration and the Client shall be obliged to return it to the Bank if requested to do so by the Bank. If the Card is not returned to the Bank, the Client shall be obliged to discard the Card. The Client shall be responsible for returning Cards issued to Holders specified by the Client.

4.3. CARD USE

- 4.3.1. The Client shall be entitled to use the Card for non-cash payments for goods and/or services using Payment Terminals (POS), Imprinters, for cash withdrawals from ATMs or at bank and exchange office counters designated with respective symbols (Cash Advance Service) or at selected Points of Sale designated with respective symbols (Cash Back Service), and further for online Payment Transactions (payments in online shops or per order without card presence – Mail Order/Telephone Order (MO/TO) or Card Payment Transactions at Payment Terminals enabling contactless payments (such Payment Transaction is authorized by placing the Card near the Payment Terminal enabled to read contactless transactions) both in the Czech Republic and abroad. By conducting a Card Payment Transaction pursuant hereto the Client shall submit a Payment Order to the Bank pursuant to respective legal regulations.
- 4.3.2. The Client or Card Holder shall be obliged to authorize Card Payment Transactions in a manner defined for the Payment Transaction to be conducted. A Card Payment Transaction shall be authorized if the Unique Identifier and Card validity are identified and the transaction is confirmed by the Client or Card Holder (e.g. the Client and Card Holder have granted consent to it). Payment Transactions using Card plastic shall be confirmed (i) by entering a PIN code, or (ii) by signing the respective Payment Transaction document and the signature shall be identical with the signature on the signature strip of the Card, or (iii) by placing the Card to the Means of Payment to the payment terminal at a Point of Sale, which enables the acceptance of such means of payment; in case of Cash Advance Service the Client's or Card Holder's identity shall be verified by presenting the identity card. Payment Transactions without the Client's presence in person shall be authorized (agreed to) by confirming the Payment Transaction and communicating the CVC/CVV security code to the respective person. The Payment Order may not be revoked after the Payment Transaction has been confirmed by the Client or Card Holder.
- 4.3.3. The Client or Card Holder shall follow the operating instructions shown on the ATM display upon ATM use. If the Client or Card Holder enters a wrong PIN code three times in a row, the Card shall be returned to the Client or Card Holder (the ATM shall not withhold it), the PIN code shall be blocked until midnight of the same day, and the Client or Card Holder shall not be authorized to conduct Card Payment Transactions requiring an authorization with a PIN code. After this period the PIN code shall be active again and the Client or Card Holder is authorized to request that blocking of the PIN code be cancelled at the Client Centre of the Bank if the Client is a TB user. In such case the PIN code shall be active upon arranging such Client request on the same Business Day.
- 4.3.4. The Point of Sale shall check the Card upon its use for non-cash Payment Transactions and shall request a permission from the Bank or the Bank's subcontractor (authorization centre) to conduct a Card Payment Transaction; if the Point of Sale fails to receive a consent of the Bank or authorization centre (the authorization has been rejected), the Point of Sale shall refuse to accept the Payment Order submitted by Card. If the Card is not presented by the Client or Card Holder, the Point of Sale shall be authorized to withhold the Card.
- 4.3.5. The Point of Sale shall request that the Client or Card Holder enter a PIN code to be entered exclusively by the Client or Card Holder on the Payment Terminal keypad (PIN PAD) for authorization of a Card Payment Transaction. In some cases the Point of Sale may request that in addition to or instead of entering the PIN code a sales receipt be signed. In such case the Client or Card Holder shall put a signature which is identical with that on the rear side of the Card; otherwise the Card Payment Transaction may not be conducted. If the signature on the sales receipt is not identical with that on the Card, the Point of Sale shall be entitled to reject such Payment Transaction. The Point of Sale may ask the Client or Card Holder to prove their identity.
- 4.3.6. In case of a contactless Card Payment Transaction the Point of Sale shall be entitled but not obliged to request that the Client or Card Holder enter a PIN code in addition to placing the Card near the Payment Terminal.
- 4.3.7. The Client or Card Holder shall in no case communicate the PIN code upon conducting Payment Transactions such as Mail Orders/ Telephone Orders, online orders of goods and/or services with companies enabling such transactions. In these cases the Client or Card Holder shall be usually asked to give the Card number, its validity, and CVC/CVV security code placed on the rear side of the Card.
- 4.3.8. The Client shall be entitled to repeatedly block or enable Card Payment Transactions in the Internet data network by a respective notice delivered to the Bank using Direct Banking Service.
- 4.3.9. If the Bank provides information on the Account balance for Card use at an ATM, the Bank shall hereby notify the Client or Card Holder that this information has a limited validity and may not always represent the current information on the Account balance.
- 4.3.10. The Bank shall not guarantee to the Client or Card Holder that the requested amount (up to the agreed Card Limit for cash withdrawals) be paid out by one ATM withdrawal. The amount for a single withdrawal shall be limited by the ATM type as well as structure of nominal values of banknotes used by the ATM administrator.
- 4.3.11. In case of cash withdrawals from ATMs outside the territory of the Czech Republic the operator of such ATMs may charge a fee related to cash withdrawal or another transaction. In such case the Client shall accept the fee by conducting the Card Payment Transaction in such ATM and shall not be entitled to retroactively request this fee from the Bank.
- 4.3.12. In case of an excessive use of services the Bank shall be entitled but not obliged to subsequently charge an Account Maintenance Fee set in the Price List in the month following the month in which such excessive use occurs. The excessive use of services are repeated and frequent cash withdrawals from ATMs in the Czech Republic in the amount exceeding ten cash withdrawals in the Czech Republic within one calendar month.

- 4.3.13. The Bank shall be entitled to issue another Card to the Client or Card Holder through automatic renewal due to termination of issuance of a specific Card type, extension of Card functionality or transition to another Card type. In justified cases the Bank shall be entitled to issue another Card also before validity expiration of the original Card (e.g. upon issuance of a new Card due to loss/theft etc.). If the Client or Card Holder accepts this newly issued Card, the scope of rights and obligations arising from the Agreement on Payment Card Issuance shall change to the extent of terms applicable for this new Card type; the rights and obligations of the Client and Card Holder remain unchanged in other respects.
- 4.3.14. The Banks shall issue an automatically renewed Card to the Client as of the day of validity expiration of the original Card. The PIN code of the renewed Card shall be reset upon Card activation using Direct Banking Service. Articles 4.2.1 to 4.2.3 herein shall equally apply to sending and activation of the renewed Card.
- 4.3.15. The renewed Card (of the same type) shall not be automatically issued if the Client requests so in writing on the last Business Day of the month preceding the month in which the Card validity expires at the latest. If such request is submitted after the deadline according to the preceding sentence, the renewed Card shall be issued and sent to the Client to the current contact address.
- 4.3.16. The Bank reserves the right to reject the issuance of a renewed Card in justified cases. A renewed Card shall also not be automatically issued if the original Card has been permanently blocked, if there is an unauthorized overdraft in the Account, if the Agreement on Account Maintenance was terminated or if the Bank has decided so.
- 4.3.17. The validity of the original Card shall be automatically terminated after activation of the renewed Card even though the validity period of the original Card has not expired.
- 4.3.18. The Card shall be the property of the Bank and shall not be transferable to another individual. The Bank shall be entitled to request Card return. The Client or Card Holder shall be obliged to obey the request and return the Card.

4.4. TRANSACTION CLEARING AND CARD LIMITS

- 4.4.1. All fees and other costs incurred in relation to the issuance and use of the Card whose payment the Bank shall be entitled to request according to the Price List shall be debited from the Main Account by the Bank.
- 4.4.2. All Payment Transactions conducted based on Payment Orders submitted by Card shall be debited from the Main Account or from one or more Complementary Accounts, if linked to the Card, by the Bank.
- 4.4.3. If a Complementary Account is linked to the Card, the Bank shall debit the Payment Transaction from the balance in the Complementary Account maintained in the same currency as is the currency of Payment Transaction as a priority; if there is no sufficient Available Balance in this Account or if the currency of Payment Transaction is not identical with any currencies in which any of the Complementary Accounts is maintained, the Bank shall debit the Payment Transaction from the Main Account.
- 4.4.4. The amount of Card Payment Transaction conducted in another currency than Czech crowns shall be converted into an amount in EUR according to the exchange rate of the respective card association valid on the day of clearing such Payment Transaction in the Current Account linked to the Card. If the Bank subsequently converts other currencies in the Payment Transaction (in particular due to the fact that the currency in which the Current Account to which the Card is linked is maintained in a currency other than EUR), such currency conversion conducted by the Bank shall be governed by respective general rules concerning currency conversion in Payment Transactions in Current Accounts listed in the T&C or Terms and Conditions of Payment Services.
- 4.4.5. In case of a difference between the amount of Payment Transaction on the day of its authorization and the amount on the day of clearing such Payment Transaction (especially due to the movement of foreign exchange rate between these days) the Bank shall be entitled to charge the Client the amount corresponding to the cleared amount to be received by the Bank.
- 4.4.6. The option to use the Card shall be restricted by Card Limits and the amount of Available Balance in the Main Account or the amount of Available Balance in the respective Complementary Account linked to the Card. The total Card Limit may be changed upon agreement of the Bank and the Client; the Client shall be authorized to set and change other Card Limits using Direct Banking Service.
- 4.4.7. The Bank shall be further entitled to unilaterally reduce the total Card Limit if an Event of Infringement occurs, if the Client or Card Holder breaches any obligation arising herefrom or if the current amount of the total Card Limit results in reasonable grounds for concern that liabilities disproportionate to the Client's financial situation will be incurred or if respective legal regulations or other regulations binding for the Bank are breached. The Bank shall inform the Client about the reduction of the total limit in due course.
- 4.4.8. The Bank shall conduct only such Payment Transaction which complies with the following conditions: (1) the Payment Transaction was authorized by Card (paragraph 4.3.2 herein), (2) the Payment Transaction was confirmed by the authorization centre, if such consent is required, (3) Card Limits were not exceeded, (4) an unauthorized debit balance was not generated pursuant hereto, (5) the Payment Transaction was not conducted after Card Blocking or suspension, cancellation or exclusion of the respective Card Payment Transaction, (6) the Payment Transaction was not conducted after expiration of Card validity, after it was withheld or returned, and (7) the Payment Transaction was not conducted due to an inactive Card.
- 4.4.9. As soon as the Bank ascertains that the Client or Card Holder conducted a Card Payment Transaction, the Bank shall reduce the Available Balance in the relevant Account of the Client by the amount corresponding to the amount of such Payment Transaction up to its clearing and debiting of funds from the Account for the period of thirty calendar days from the date of blocking at the most.

- 4.4.10. The Payment Order conducted by Card shall be accepted for clearing on a Business Day on which the Bank receives a request for clearing of a Card Payment Transaction from the contractual bank of the Point of Sale, from the bank operating the ATM or from the bank or exchange office which conducted the Cash Advance Service. According to the rules of card associations the processor shall have a period of up to 30 days from the date of such Payment Transaction for sending a Payment Order conducted by Card for clearing.
- 4.4.11. The Payment Order conducted by Card abroad shall be processed by a foreign bank in cooperation with the respective card association.
- 4.4.12. If the Point of Sale offers to the Client a conversion of Card Payment Transaction into the value in the domestic currency (Dynamic Data Conversion) and the Client confirms by authorization to agree with the exchange rate used, with respective fees and the final amount, such amount of Payment Transaction shall be debited from the Client's Account.

4.5. SECURITY AND PROTECTION OF CARD

- 4.5.1. The Client or Card Holder shall be obliged to store the Card in a safe place, in particular separated from personal documents, and to protect it against loss or theft. The Client or Card Holder shall also be obliged to prevent its misuse and protect it against damage. The Client shall take any adequate measures to protect the PIN code, Unique Card Identifiers, and all personalized security features of the Card; in particular, the Client or Card Holder shall not put down the PIN code on the Card or otherwise note it, the Client or Card Holder shall not store the PIN code together with the Card or communicate it to third parties. Furthermore, the Client shall not communicate other security features of the Card to third parties, unless the communication of other personalized security features of the Card is necessary for conducting a Payment Transaction.
- 4.5.2. The Card shall not be used for illegal purposes including the purchase of goods or services prohibited by applicable Czech law. If such acts result in damage incurred to the Bank, the Bank shall be entitled to request damage compensation from the Client.
- 4.5.3. The PIN code shall be set by the Client in the Client's Direct Banking. The Bank shall not store information on Client PIN codes.
- 4.5.4. If the Card was damaged or destroyed, the Client or another Card Holder shall immediately notify the Bank hereof. The Bank shall issue a new Card upon the Client's request.
- 4.5.5. If the Card was lost, stolen or misused, the Client or Card Holder shall be obliged to immediately inform the Client Centre of the Bank about these facts or to block the Card using Direct Banking Service. The Client Centre operator shall request the data necessary for identification of the Card, Client or Card Holder and shall immediately block the Card. The Client or Card Holder shall be simultaneously entitled to request issuance of a new Card.
- 4.5.6. If the Card was lost, stolen or misused abroad, the Client or Card Holder may report this fact at any Point of Sale of the Bank or at any bank branch or contact the respective card association.
- 4.5.7. In exceptional cases when the Client or Card Holder cannot notify the Bank, e.g. due to hospitalisation, the Bank shall take necessary measures to the extent appropriate also upon request of another individual (relative, colleague etc.).

4.6. CARD BLOCKING

- 4.6.1. The Bank shall block the Card without undue delay upon request of the Client or another Card Holder. The Card may also be blocked by another individual than the Bank's Client or Card Holder in justified cases especially if the Card has been reported to be found. The Bank shall be entitled to block the Card or otherwise restrict its use also without consent of the Client or Card Holder due to safety of the Card, especially if the Bank suspects unauthorized or fraudulent use of the Card or if entitled hereto by respective legal regulations.
- 4.6.2. The Bank may block the Card temporarily depending on specific circumstances and the agreement between the Bank and the Client or another Card Holder. If the Client or another Card Holder fails to inform the Bank within 24 hours from the temporary Card Blocking that the reasons for Card Blocking have ceased to apply, the Bank shall block the Card permanently.
- 4.6.3. The Bank shall inform about Blocking and its reasons in a manner agreed for provision of Account statements. The Bank shall be entitled to communicate this information without undue delay also in another manner, e.g. by telephone, electronically via Direct Banking of the Client or by delivery to the Client's contact address. The Bank shall not provide information pursuant hereto if provision of such information could prevent Card Blocking or if it were in conflict with other legal regulations.
- 4.6.4. As soon as reasons for Blocking cease to apply, the Bank shall unblock the Card (in case of a temporary Card Blocking upon request of the Client) or the Bank shall replace it with a new Card (in case of a permanent Card Blocking based on a decision of the Bank). In case of Blocking pursuant hereto the Bank shall be further entitled to withdraw from the Agreement on Issuance of Payment Card with immediate effect.
- 4.6.5. If the Bank blocks the Card permanently upon the Client's or Card Holder's request, the Bank shall issue a new Card to the Client, unless the Bank and the Client agree otherwise.
- 4.6.6. The Bank shall debit a Fee from the Account for Card Blocking upon the Client's or another Card Holder's request, for the issuance of a new Card or for provision of cash at bank counters according to the valid Price List.
- 4.6.7. The Client shall be entitled to restrict or exclude the option of some Card Payment Transactions by means of additional Card Limits.

4.7. LIABILITY OF BANK AND CLIENT OR CARD HOLDER

- 4.7.1. The Client shall bear loss from unauthorized Card Payment Transactions of up to EUR 150, if such loss resulted from the use of a lost or stolen Card or Card misuse if the Client or Card Holder failed to protect security features up to the point of Card Blocking.
- 4.7.2. The Client shall bear loss from an unauthorized Card Payment Transaction in full if such loss was caused by the Client or by the Client's fraudulent action or if the Client failed to meet security measures set herein by intent or gross negligence or if the Client failed to communicate the loss, theft, misuse or unauthorized use of the Card to the Bank without undue delay upon its discovery. The Client shall not bear the loss if the Client did not act fraudulently and the loss was incurred after the Client or Card Holder or any third party other than the Client had reported the loss, theft, misuse or unauthorized use of the Card to the Bank.
- 4.7.3. The Client or Card Holder shall be obliged to report any changes of data which are essential for the validity of data given on the Card or which are important for contacting the Client or Card Holder. If damage is incurred to the Bank due to breach of this obligation, the Bank shall be obliged to request compensation of such damage from the Client or Card Holder.
- 4.7.4. The Bank shall be liable for an unauthorized Payment Transaction if loss from this Payment Transaction is not borne by the Client pursuant to Article 4.7.1 hereof. The Bank shall be liable to the Client for an erroneously executed Payment Transaction unless the Bank proves to the Client that the amount of the erroneously executed Payment Transaction was duly and timely credited to the account of entity providing payment services to the beneficiary of the Payment Transaction. If the Client communicates to the Bank that the Client does not insist on the execution of Payment Transaction which was executed erroneously, the Bank shall provide the Client with the amount, crediting the amount of Payment Transaction to the Account.
- 4.7.5. The Bank shall not be liable for damage incurred upon Card use due to circumstances independent of the Bank's will, e.g. upon rejection or false authorization due to a failure of processing system of the authorization centre or telecommunication lines, interruption of power supply, ATM failure etc.
- 4.7.6. If the Client or Card Holder notified of the loss or theft of the Card or if the Card validity expired or the Card was cancelled or blocked pursuant hereto, the Client or Card Holder shall agree to inform respective individuals. The Point of Sale shall be entitled to withhold such Card in case of an attempted Payment Transaction.
- 4.7.7. The Bank shall not be liable for damage incurred by a Card Limit overdraft in case of Payment Transactions not authorized by the Bank.
- 4.7.8. The Bank shall not be liable for damage incurred by a measure met based on an express instruction of the Client or Card Holder in connection with Card loss, theft or misuse, and further for costs incurred due to a subsequent disagreement of the Client or Card Holder with the respective measures.
- 4.7.9. The Bank shall not be liable for ineffective online Blocking of a Card Payment Transaction if the Point of Sale is not duly identified by its clearing bank as online Point of Sale in the system of respective card association.

4.8. ADDITIONAL CARD SERVICES

- 4.8.1. The Client may be provided with additional Card services, especially various insurance types whose provision is linked to holding and using a Card. The Bank shall be authorized to cancel or change the provision of such services for the respective Card type at any time by announcement and notification sent to the Client. The Client shall hereby grant consent to the Bank with provision of necessary information about the Client to individuals providing additional services if such individuals request the information in connection with provision of an additional service to the extent necessary.

4.9. TERMINATION OF RIGHT TO CARD USE, BREACH OF AGREEMENT

- 4.9.1. The right to execute Card Payment Transactions shall cease to apply (i) upon termination of Agreement on Issuance of Payment Card, e.g. upon agreement, upon cancellation of Agreement on Issuance of Payment Card on the part of the Client or the Bank or upon withdrawal of the Bank or the Client, or (ii) upon one of the following options: (a) expiration of Card validity (unless the Card is automatically renewed), (b) Card loss, theft or misuse, (c) termination of Agreement on Main Account Maintenance (or closing of Main Account), (d) decease of the Client or Card Holder, or (e) discarding a valid Card, unless a new or renewed Card is issued.

4.10. TERMINATION OF AGREEMENT

- 4.10.1. In case of termination of Agreement on Issuance of Payment Card by cancellation on the part of the Client the period of notice shall be one month and shall start on the day of delivering the notice to the Bank. In case of termination of Agreement on Issuance of Payment Card by cancellation on the part of the Bank the period of notice shall be two months and shall start on the day of delivering the notice to the Client.

4.11. SUPPLEMENTARY CARD

- 4.11.1. The Bank shall conclude an Agreement on Issuance of Supplementary Card with the Client upon the Client's request for issuance of a Supplementary Card delivered by the Client to the Bank. The Agreement on Issuance of Supplementary Card shall be deemed concluded when the Client is informed about the approval of request for issuance of Supplementary Card by the Bank. The Bank shall subsequently send the Supplementary Card to the Client.

- 4.11.2. By signing the request for issuance of Supplementary Card, the Client shall confirm that all data concerning the individual for whom the Card shall be issued are correct and that for request submission the Client was granted consent of such individual with the issuance of Supplementary Card on behalf of such individual and that such third party acquainted themselves and agreed herewith.
- 4.11.3. By accepting the Supplementary Card the Holder of Supplementary Card shall express consent with the issuance of Supplementary Card on their behalf and further consent with these PTC which hereby become binding for them.
- 4.11.4. Payment Transactions executed by Supplementary Card shall be settled in the same manner as if they were executed by a Card issued on behalf of the Client.
- 4.11.5. The Client shall be authorized to exercise all powers of the Holder of Supplementary Card. The Client shall be entitled to terminate the Agreement on Issuance of Supplementary Card also against the will of Holder of Supplementary Card at any time pursuant to conditions stipulated herein for termination of Agreement on Issuance of Payment Card. The Client shall be furthermore entitled to request Blocking of Supplementary Card at any time.
- 4.11.6. The Client shall be obliged to pay all Fees and other amounts to which the Bank shall be entitled in connection with the Supplementary Card and shall be liable for breach of any obligations of the Holder arising herefrom to the same extent as if the Client themselves committed such breach. Any receivables of the Bank from the Client shall be without prejudice to any mutual rights or disputes between the Client and Holder of the Supplementary Card.

5. DEFINITION OF TERMS

Capitalized terms shall have the following meaning, unless stipulated otherwise herein:

Account – shall have the meaning defined in the T&C.

Active Account – shall mean an Account with an active status in Direct Banking Service or activated at a Point of Sale of the Bank.

Agreement – shall have the meaning defined in the T&C.

Agreement on Term Deposit – shall mean the Agreement on Maintenance of Term Deposit Account concluded between the Bank and the Client. The Agreement shall oblige the Bank to open a Term Deposit Account pursuant to Section 716 et seqq., Commercial Code (CZ).

ATM – shall mean a self-service device which pays out or accepts cash of Holders of Cards whose trademark is displayed on the ATM. ATM pays out or accepts cash in the local currency (the option of cash deposit depends on the ATM type), providing other services depending on the ATM offer and Card type.

Available Balance – shall mean available funds in the Client's Account or an Accounting Balance reduced by respective sums (hold amounts, amounts with restricted transferability, restrictions, and minimum balance).

Banking Services – shall have the meaning defined in the T&C.

Business Day – shall have the meaning defined in the T&C.

Card – an embossed debit payment card issued for the Account; a new Card and renewed Card is also considered a Card pursuant hereto, unless expressly stipulated otherwise herein. The Card also enables the execution of contactless Payment Transactions.

Card Blocking – a measure to prevent execution of Card Payment Transactions; the Card may be blocked upon request of the Bank or the Client or Card Holder under conditions stipulated herein; a Card may only be blocked for specific Card Payment Transactions; if "Card Blocking" is mentioned herein, execution of Blocking is concerned.

Card Limits – shall mean the maximum sum limiting the amount of Card Payment Transactions from the respective Account for the period of seven days, unless another period of time or other limitations of the amount of individual Payment Transactions as separate transaction limits especially for cash withdrawals, purchases at Points of Sale or online Card Payment Transactions are stipulated in the Agreement on Issuance of Payment Card. These limits do not allow exceeding the maximum amount of Payment Transactions. If the maximum amount is reduced, other card limits shall be reduced accordingly.

Client – shall have the meaning defined in the T&C.

Client Centre – shall have the meaning defined in the T&C.

Complementary Account – shall mean a Current Account maintained by the Bank for the Client in a currency other than CZK.

Contractual Amendment – shall have the meaning defined in the T&C.

Credit Income – shall have the meaning defined in the T&C.

CVC/CVV – a three digit security code pre-printed on the signature strip of MasterCard Cards on the rear side of the Card after four digits which are identical with the last four digits of the Card number.

Day of Deposit Commencement – a day on which funds in the amount of Term Deposit were credited to the Term Deposit Account or another later day specified in the Agreement on Term Deposit.

Day of Deposit Recurrence – a day on which a Recurrent Term Deposit is renewed pursuant to the Agreement on Term Deposit.

Direct Banking – shall have the meaning defined in the T&C.

Event of Infringement – shall have the meaning defined in the T&C.

Exchange Rate List – shall have the meaning defined in the T&C.

Holder – means a person who shall be entitled to dispose of the funds in the Account based on the Client's instruction and who shall be granted a separate authorization to access the Account using Direct Banking Service by the Bank or whom a Supplementary Card for the Client Account shall be issued upon the Client's Request.

Imprinter – a mechanical scanner intended for imprinting embossed Cards and identification tag of the Point of Sale on the receipt upon executing a non-cash payment or Cash Advance.

Information Provision – shall mean communicating information to the Client using permanent data media.

Main Account – a Current Account of the Client maintained by the Bank in CZK for which a Card has been issued.

Means of Payment – a personalized device or set of procedures agreed between the provider and user used by the user to submit Payment Orders.

MO/TO Transaction – shall mean non-cash Card Payment Transactions without the Client's presence or Card use (order of goods or services using delivery services, online etc.); these transactions are usually designated as Mail Order/Telephone Order (MO/TO).

Payment Account – an account which serves for executing Payment Transactions and which is maintained by the Bank or another payment services provider; the Bank shall maintain the following Payment Accounts: Current Account and Savings Account.

Payment Order – an instruction to execute a Payment Transaction.

Payment Services – shall mean service provision within the scope of Payment Services; their rules are described in the Terms and Conditions of Payment Services.

Payment Terminal (POS) – an electronic point-of-sale terminal which scans the data from the magnetic strip or chip of the Card and stores them electronically for further processing. It is used for non-cash payments and Cash Advance by Card using a PIN code or signature of the Holder.

Payment Transaction – shall mean a movement of funds in the Payment Account connected with payment services – remittance of funds, Card payment (including a contactless Payment Transaction), and ATM withdrawal of funds.

PIN (Personal Identification Number) – a four digit personal identification code chosen by the Holder to prove the authorization of the Client or Card Holder to execute Card Payment Transactions.

Point of Sale – shall be a point of sale (e.g. shops, restaurants, hotels, and petrol stations) displaying a logo of the respective international card association which in a standard manner accepts Cards as Means of Payment used for payments for purchased goods or services provided.

Price List – shall have the meaning defined in the T&C.

Recurring Term Deposit – shall have the meaning stipulated in paragraph 4.2.1 hereof.

Representative – shall have the meaning defined in the T&C.

Request – shall mean a request for Account opening and Card issuance pursuant to the respective provisions hereof.

Temporary Card Blocking – Card Blocking for up to 24 hours.

Term Deposit – shall have the meaning defined in Article 3.1.1 hereof.

Unique Identifier – a combination of letters, numbers or symbols which according to the provider identify the Client or the Client's Account or Card Holder and their Card upon executing Card Payment Transactions.

These PTC shall become valid and effective on 1st January 2013.