

GENERAL BUSINESS CONDITIONS OF PPF BANKA A.S.

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1. Introductory provisions

- 1.1 These General Business Conditions of PPF banka a.s. set out the basic rules for relationships between the Bank and its Clients, which are established in the provision of Banking Services. The Bank also issues Specific Business Conditions (SBC) setting out further conditions relating to the provision of particular Banking Services.
- 1.2 The GBC and the relevant SBC form an integral part of every Agreement. In the event of any conflict between the provisions of an Agreement, the GBC, the SBC, the Price List and the Interest Rate List, the provisions of each of the respective documents shall prevail with the following order of precedence: the Agreement, the Price List, the Interest Rate List, the SBC, the GBC. The GBC have been issued on the basis of and in compliance with Section 1751 of the Civil Code.
- 1.3 The Bank provides Banking Services on the basis of the Agreement, at Places of Business and via ELB during Business Hours, unless agreed otherwise with the Client (including, without limitation, in the SBC).
- 1.4 The Bank is not obliged to enter into a contractual relationship with a Client or to provide a Banking Service. The Bank may make the provision of Banking Services subject to the submission of requisite documents and information and has the right to refuse to provide a Banking Service, also without giving any reasons, unless otherwise provided by the mandatory legislation.
- 1.5 The Bank is a legal entity that carries out the activities specified in its licence awarded by the CNB, i.e. the provision of banking services under the Banking Act and the provision of banking services under the Act No 256/2004, on Capital Market Undertakings, as amended. The Bank is registered in the CNB's list of banks.
- 1.6 When providing Banking Services, the Bank is subject to supervision by the CNB, which the Clients can resort with their questions and complaints.
- 1.7 Detailed information about the method and options for lodging complaints about the Bank's activities can be found in the Complaint Rules of PPF banka a.s., which are available at the Bank's registered office and on its Website.
- 1.8 The Bank is a liable person within the meaning of the Money Laundering Act.

2. Definition of terms and Interpretation rules

- 2.1 The capitalised terms and expressions have the following meaning in the GBC:

Bank – PPF banka a.s., having its registered office at Praha 6, Evropská 2690/17, 160 41, Company ID No. 47116129, incorporated in the Companies Register of the Municipal Court in Prague, Section B, File 1834.

Banking Service – any transaction, service or product of the Bank provided by the Bank under a banking licence awarded by CNB under the Banking Act and the Act No 256/2004, on Capital Market Undertakings, as amended.

Security Elements – elements used by the Bank to secure the access to selected Banking Services.

BIC (Business Identifier Code) – or the SWIFT code is Provider's code based on the ISO936 international standard enabling the unambiguous identification of the Provider in international payments.

Price List – the Price List of Services of PPF banka a.s., containing an overview of the fees and charges for Banking Services and acts associated with Banking Services.

Account Number – the number of the account used for domestic payments, consisting of a prefix (max 6 characters), the basic account number (max 10 characters) and the bank code or the Provider's code (4 characters); not every account number must have a prefix.

CNB – The Czech National Bank, having its registered office at Na Příkopě 28, 115 03 Praha 1, which is the supervisory authority for the Bank's activities.

Maturity Date – the date specified by the Client as the date on which Funds are to be debited from the Account.

Value Date – the date as of which a Payment Transaction amount is credited or debited to a Payment Account.

Available Balance – the current balance of Funds on the Account plus any authorised overdraft provided (permitted debit balance) and/or less any amount blocked on the Account; on a non-business day, it already reflects the realized instant payments and transactions with maturity on the following Business Day.

EU/EEA – the European Union and the European Economic Area (i.e. the EU + Liechtenstein, Iceland and Norway).

ELB – electronic banking; it is the Bank's service that enables the use of the Bank's selected Banking Services; ELB can particularly have the form of Internet Banking (IB), Mobile Banking (MB) or Client's API, or other electronic channels according to the current offer as defined in the respective Specific Business Conditions (SBC).

IBAN (International Bank Account Number) – a standardized account number defined by the international standard ISO 13616, enabling the unambiguous identification of the account number with a respective Provider in a given country. The use of a Beneficiary's account number in IBAN format is obligatory in the execution of transfers within the EU/EEA and countries that have acceded to the standard of the Single Euro Payment Area (SEPA).

Website – www.ppfbanka.cz or any other web addresses used by the Bank from time to time in connection with the provision of Banking Services.

Unique Identifier – the bank details of the Payer and of the Beneficiary; for domestic payments this is the account number, in the national format, which is comprised of the identifier of the account of the Client and the payments code of the Provider where the account is held; for foreign payments (i) in the case of SEPA transfers, this is the Beneficiary's account number in IBAN format, and the Beneficiary's name, and (ii) in the case of other foreign transfers, this is the account number in IBAN format or the account number in the relevant country's national format, the Beneficiary's name, and BIC or some other identification of the Beneficiary's Provider.

Client – a natural person or legal entity or trust ("*svěřenský fond*" in Czech) using Banking Services, or requesting the provision of a Banking Service.

Client - Consumer – the Client who is a natural person and a consumer under Section 419 of the Civil Code and for the purposes of the Payment Services the Client who is a sole trader (also referred to as a self-employed person or an entrepreneur).

Specific Business Conditions (SBC) – business conditions issued by the Bank for particular types of Banking Services.

Contact Address – the address agreed in the Agreement or the address that the Client has provided to the Bank for Document delivery. If no such address has been explicitly agreed or provided, the address of permanent residence for Clients who are consumers, address of a place of business for Clients who are natural persons - sole traders and/or entrepreneurs and the address of the registered office for other Clients is the Contact Address.

Exchange Rate – the currency exchange rate declared by the Bank in Exchange Rate List published on the Website and in the Place of Business.

Nostro Account – an account of the Bank held with other Providers, the Nostro Account is also referred to as the correspondence account and the List of Providers at which the Bank has opened the correspondence account is listed on the Website.

Transaction – a deposit transaction with an individually agreed interest rate and/or a spot transaction with an individually agreed exchange rate.

Place of Business – an office of the Bank providing Banking Services.

Client's Place of Business – the Place of Business of the Bank managing the Client's contract documents for the Banking Services provided.

Civil Code – Act No 89/2012, the Civil Code, as amended.

Point in Time of Receipt of a Payment Order – under the Payments Act, the time at which a Payment Order is received by the Bank or when a stipulated period has passed from the delivery of a Payment Order to the Bank, provided that all of the conditions specified for executing the Payment Order have been met.

Authorised Person – the Client and a person authorised by the Client to handle Funds in an Account and to perform other acts associated with Banking Services specified in the documents relating to the respective Banking Service; if the Client is simultaneously a person handling the Funds, the Client shall also be listed as the Authorised Person in the relevant documents. A person authorised to represent the Client under a power of attorney granted by the Client or under a decision of a court or a public authority, and persons authorised to represent the Client by the law are also Authorised Persons.

Person Subject to Identification – without limitation, the Client and Beneficial Owner and Authorised Person.

Person with a Special Relationship to the Bank – a person as referred to in Section 19 of the Banking Act, with whom the Bank may not execute transactions that, considering their nature, purpose or risk, it would not execute with other Clients.

Funds – banknotes, coins and cashless funds.

Payer - the user from whose Payment Account the Funds for executing a Payment Transaction are to be debited, or who makes available the Funds for the execution of a Payment Transaction.

Payment Instrument – a facility or a set of procedures agreed between the Bank and a Client and established in relation to an Authorised Person, by means of which the Authorised Person gives Payment Orders.

Payment Order – an instruction to the Bank requesting the execution of a Payment Transaction.

Payment Service – a Banking Service constituting a payment service within the meaning of the Payments Act (in particular, but without limitation, transfers from Accounts and the issuance of Payment Instruments).

Payment Transaction – the deposit of cash in an Account, the withdrawal of cash from an Account and cashless transfer of Funds.

Payment Account – an account that is used, without limitation, to execute Payment Transactions.

Submission – complaints and other submissions by the Client.

Specimen Signature – a specimen of the Authorised Person's signature accepted by the Bank, enabling the identification of such person for the purpose of handling Funds on the Account and for the purpose of acts associated with Banking Services.

Politically exposed person – a natural person who is or was in a prominent public function with national or regional competences or a natural person who holds or held a similar function in another country, in the bodies of the European Union or other international organisations, and also a natural person that has a different relationship to this natural person (a person of kith and kin, an associate, the beneficial owner of a legal entity or another similar legal arrangement, or who has some other close relation to the natural person holding a prominent public function).

Fees – are the prices and costs of and fees for the Banking Services provided and services related thereto.

Provider – the provider of a Payment Service, including, without limitation, the Bank, the CNB, other domestic and foreign banks and other institutions defined by the Payments Act.

Authorisation – a printed form specified by the Bank, meeting the requirements of a power of attorney, whereby the Client authorises Authorised Persons to carry out acts specified in the Authorisation. In the Agreement on specific Banking Services, the authorisation for an Authorised Person can also be agreed in a different manner specified in the Agreement.

Business Day – a day on which a Payer's Provider or a Beneficiary's Provider executing a Payment Transaction normally carries out the activities necessary to execute Payment Transactions, i.e. a day other than a Saturday, a Sunday, a public holiday or other holiday for either the Payer's Provider or the Beneficiary's Provider.

Business Hours – the part of a Business Day during which a Payer's Provider or a Beneficiary's Provider executing a Payment Transaction normally carries out the activities necessary to execute such Payment Transaction.

Beneficiary, Payee – the user to whose Payment Account the funds are to be credited under the Payment Order or to whom Funds are to be made available under the Payment Order.

Interest Rate List – Interest Rate List of PPF banka a.s., a document of the Bank containing an overview of the interest rates for deposits and loans and associated rates.

Contract Register – a public administration information system operated by the Ministry of the Interior of the Czech Republic, in which public institutions publish private contracts and other documents in accordance with the requirements of Act No. 340/2015, on the Contract Register, as amended.

SEPA Payment Transaction – the standardised cashless transfer of Funds in EUR within the SEPA between Providers connected to the SEPA system, without restrictions on the amount transferred.

SEPA – Single Euro Payments Area; currently it is composed of all countries in EU, EEA and also in Switzerland, Monaco and San Marino, Andorra, Vatican and Great Britain which have acceded to the SEPA standard.

Beneficial Owner – an individual who ultimately owns or controls, directly or indirectly through another person or other legal entity. The Beneficial Owner of:

- (a) a corporation is any natural person who (i) has an ownership interest in the corporation or a voting interest greater than 25%, (ii) has a right to share in the profits, other equity or liquidating balance greater than 25%, or (iii) exercises a controlling influence over the corporation or corporations, (iv) exercises a controlling influence in the corporation by other means; or (v) is a member of the statutory

body, a representative of the corporation on that body, or in a capacity similar to a member of the statutory body if the beneficial owner is not or cannot be identified;

- (b) a foundation, an endowment or an endowment fund is any natural person who is its founder, member of its administrative or supervisory board or its auditor or a person in a similar position or in whose personal support consist its purpose according to the founding legal action;
- (c) an institution or a non-profit-making company is any natural person who is the founder or director or a member of its administrative or supervisory board or a person in a similar position;
- (d) a legal arrangement is any natural person who is its founder, a trustee, authorized to supervise the administration of a legal arrangement and who may appoint or remove a trustee or a beneficiary, beneficiary from among the persons in whose main interest the legal arrangement was established or administered, unless there is no beneficiary.

Agreement – an agreement on the provision of a Banking Service concluded between a Client and the Bank.

Agreement on Payment Services – any Agreement, regardless of its designation, whose subject matter is the provision of Payment Services (e.g. a Framework Agreement on Payment and Banking Services).

SWIFT – the Society for Worldwide Interbank Financial Telecommunication, which is used by the Bank inter alia for foreign payments.

SWIFT code – see BIC.

Durable Medium – any object allowing Clients to store Information individually designated for them so that it may be used for a period sufficient for the purpose of such Information, and allowing the unaltered reproduction of such Information. Information in an attachment to an e-mail message delivered to the e-mail address specified by the Client is also Durable Medium.

Account – any account of the Client held with the Bank in CZK or in other currencies as may be agreed between the Bank and the Client. In particular Payment Accounts are Accounts.

GBC – these General Business Conditions of PPF banka a.s.

Act on the Financial Arbitrator – Act No 229/2002, on the Financial Arbitrator, as amended.

Payments Act – Act No 370/2017, on Payments, as amended.

Money Laundering Act – Act No 253/2008, on Certain Measures to Combat Money Laundering and Terrorist Financing, as amended.

Banking Act – Act No 21/1992, on Banks, as amended.

2.2 The following rules shall be followed when interpreting the provisions of these GBC and the Agreement:

- (a) Any reference to an article, paragraph, clause referenced by a letter, or point is regarded as a reference to an article, paragraph, clause referenced by a letter, or point of these GBC;
- (b) The headings of articles and paragraphs of the Agreement and these GBC serve for convenience only and not for interpretation;
- (c) Words and expressions in the singular also include those in the plural, and vice versa;
- (d) Agreement is understood to be an Agreement including all of its integral parts, in particular, but without limitation, the GBC, the relevant SBC, and the Price List;
- (e) **Making available** of Information is understood to be the disclosure of data helping the Client to find Information, and **provision** is understood to be the delivery of Information to the Client on a Durable Medium;
- (f) The person representing the Client is understood to be the Authorised Person or any other person authorised to represent the Client;
- (g) **CZK, Kč** and **Czech crown** mean the legal tender of the Czech Republic; **EUR** and **euro** designate the common currency of the European Union member states that will adopt or have adopted the euro.

3. Identification of Clients and submission of documents

3.1 Identification of persons. Before the provision of and at any time during the course of providing any Banking Service the Bank has the right to request the identification documents of the Person Subject to Identification, and other documents and information required for the proper provision of the Banking Service and the due identification and verification of the Person Subject to Identification.

- 3.2** The Bank has the right to determine the range of the required documents and information. The Bank shall, within the limits of performing its obligations under legislation, in particular the Money Laundering Act, carry out the identification of and due diligence for Persons Subject to Identification, perform its information obligation and for that purpose and in accordance with applicable legislation to obtain and process data on Persons Subject to Identification.
- 3.3 Submitted documents.** the Bank is entitled before the provision of and at any time during the course of providing any Banking Service to request submission of originals or officially verified copies of the following documents:
- (i) A valid ID document in the case of natural persons;
 - (ii) A valid ID document and a certificate proving authorisation to carry on business (in particular the trade licence certificate) in the case of sole traders;
 - (iii) A valid ID document of Authorised Persons and proof of legal personality (in particular the certificate of incorporation or the deed of foundation; such certificates may not be more than three months old for entities registered in the Czech Republic and more than six months old for entities registered outside the Czech Republic) in the case of legal entities;
 - (iv) Any other documents and information as the Bank may request with a view to obtaining all the data required for the provision of Banking Services and for the due identification of persons.
- 3.4 Authenticity, accuracy, and completeness.** The Bank is not obliged to accept a document should it have doubts as to its authenticity or accuracy, or the acceptance of which would be contrary to the contractual arrangements or legislation. The Bank has the right to request the submission of certificated documents. The Bank acts in confidence in the authenticity, truthfulness and accuracy of the documents and information provided by the Client or Authorized Person.
- 3.5 Language.** In the case of documents submitted in a language other than Czech, the Bank may request the submission of an officially certified translation of the documents into Czech.
- 3.6 Apostille and Superlegalisation.** The Bank may require documents issued abroad to bear an Apostille or to be Superlegalised.

4. Bank secrecy and Clients' consents

- 4.1 Bank secrecy.** Banking Services are subject to bank secrecy under the Banking Act. The Bank may disclose information about Banking Services and other matters that are subject to bank secrecy without the Client's consent only to the extent and under the conditions specified in legislation.
- 4.2** The Bank has the right to find and process such data on the Client, which is needed to make it possible to carry out the Banking Service without undue legal or material risks for the Bank. If the Client refuses to disclose the data requested in the scope laid down in binding legislation to the Bank, the Bank may refuse to provide the Banking Service.
- 4.3** The Bank has the right to supply the Client with marketing material for the purpose of offering its products and services in writing in paper form, electronically, or using other means. The Bank may approach the Client for the purpose of customer satisfaction surveys regarding its offers of products and services.
- 4.4** Upon signing of the Agreement, the Client acknowledges, that the Bank uses third parties in accordance with the applicable legislation, i.e. persons charged with the management of information systems and data processing, legal, tax, economic and other advisers, person cooperating with the Banka in the provision of Banking Services and in meeting the Banks' legal requirements. The Client agrees with disposal of the Client's information subject to bank secrecy to third parties.
- 4.5** The Bank is entitled to send documents and other information to Client, including the data and documents, which are subject to a bank secrecy in an unsecured manner to the contacts provided by the Client and/or the Authorized Person. The Client hereby acknowledges that data and documents sent by the unencrypted means may be within their transmission accessed by third parties. The Bank and any persons within the PPF Group exclude, to the extent permitted by law, any liability for damage caused by unauthorized access, interception, alteration or other misuse of such data and documents.
- 4.6** The provisions of this section concerning Clients also apply mutatis mutandis to Authorized Persons any other persons associated with the Banking Services.

5. Information obligation and change of particulars

5.1 Clients' information obligation. Clients shall notify the Bank without undue delay of the following facts and, upon Bank's request submit respective information and/or documents in order to prove such facts:

- (i) any changes in their identification data, in particular a change of their first name or surname or of their company/business name, their address (of permanent residence or registered office), changes in data on Authorised Persons, and changes of Authorised Persons, Persons Subject to Identification, and the Beneficial Owner;
- (ii) any facts that may result in a Person Subject to Identification becoming a Person with a Special Relationship to the Bank or a Politically exposed person or about the fact that the Client stopped to be such person;
- (iii) any other facts that affect or may affect the provision of Banking Services or the exercise of the rights and the performance of the obligations of the Client in relation to the Bank, in particular the start of insolvency proceedings, the opening of a preventive restructuring procedure, or the start of execution or of proceedings to enforce a decision against property of a Person Subject to Identification; or
- (iv) The loss or theft of documents related to the provision of Banking Services and pertaining to the Agreement, and the loss or theft of Payment Instruments or instruments helping to identify or authorise the Client or Authorised Persons. Detailed information about a manner of submission of the information are set out in SBC for respective Banking Service.

5.2 The Bank has the right to request information and proof of facts, in particular those concerning the origin and source of the Client's Funds, and information about and proof of the purpose and nature of the Account or Payment Transactions. Clients shall also disclose and prove any information and facts to the Bank as the Bank may require for tax and accounting or other justified purposes.

5.3 The Bank's information obligation in the provision of Payment Services. During the course of the contractual relationship the Bank shall provide Clients - Consumers, at their request and free of charge, with information about the Bank, the Payment Service being provided, the manner of communication with the Bank, the Agreement on Payment Services concluded with the Bank, and about the obligations and responsibilities of the Bank and the Client, in the scope laid down in the Payments Act. In compliance with the Payments Act, the Bank shall provide information about Payment Services primarily via Internet Banking. By signing the Agreement on Payment Services, Clients - Consumers also confirm that sufficiently well in advance of the conclusion thereof, they were provided with information about the Bank, the Payment Service to be provided, the manner of communication with the Bank, the Agreement on Payment Services in question, and the obligations and responsibilities of the Bank and the Client - Consumer, in the scope laid down in the Payments Act.

5.4 Publication of information. The Bank publishes the GBC, SBC, the Price List, the Interest Rate List and other information that it is obliged to publish on its Website and in the Place of Business.

6. Acting of the Client and the Bank

6.1 Manner of the Clients' actions. In relation to the Bank, the Client acts either in person or through an Authorised Person unless agreed otherwise between the Bank and the Client.

6.2 The Bank may verify the authorisation of any person representing the Client. The Bank may refuse or defer the execution of any order or request until the Bank considers it indisputable that the person is indeed authorised to represent the Client in the particular matter. The Bank is not liable for any damage incurred by the Client due to the refusal or deferral of the execution of any such order or request.

6.3 Power of attorney and its particulars. Without prejudice to the Articles 3.3 to 3.6 of these GBC, The Bank has the right to require a special power of attorney. Clients' signatures on powers of attorney must be affixed in the presence of a Bank employee or must be officially verified. Where the legislation lays down a specific form for legal acting (in particular by way of a notarial record), the Bank may require submitting of the power of attorney granted in the form so required.

6.4 Clients' signature. The Client's signature on the Agreement, related documents, and any orders or requests made via paper medium, must be affixed in the presence of a Bank employee or must be officially verified, unless the Bank and the Client agree on a different method of verification. The Bank has the right to specify the documents that have to be signed in line with the Specimen Signature. Whenever documents are sent to the other party in electronic form, they must be signed with a recognised electronic signature within the meaning of Section 6(2) of Act No. 297/2016, on Trust Services for Electronic Transactions, as amended. Signature of the Agreement is understood to be

granting of the consent in a form, which have been agreed between the Bank and the Client or specified by legislation (such as electronic signature, or consent given via a secured ELB channel).

- 6.5** When acting in relation to the Bank, any person representing the Client shall adhere to all the conditions for representation arising from legislation, decisions of courts or other governmental authorities, or the Client's instructions. Should such person breach this obligation, they shall compensate the Bank for damage suffered due to the breach of this obligation.
- 6.6 Manner of the Bank's actions.** The Bank acts through its governing body, appointed employees, or duly authorised third parties. The Bank may, if it deems it appropriate, substitute the signature of persons authorised to represent the Bank by printed or mechanical means, in particular in the case of mass mailed or automatically generated communications (e.g. reminders, notifications, and requests).

7. Communication between the Bank and Clients

- 7.1 Methods of communication.** The Bank and the Client may agree upon communication using electronic or other technical means. In communication over the telephone, the Bank and the Client shall identify themselves in the agreed manner, or in a manner causing no doubts about the identity of the person.
- 7.2 Language of communication.** Unless agreed otherwise Communication between the Bank and the Client in the context of their contractual relationship takes place in Czech via the Client's Place of Business. In the case of documents or an Agreement made in multiple language versions, the Czech version shall prevail at all times.

8. Delivery

- 8.1 Delivery to the Client.** The Bank delivers documents for the Client at the Contact Address, via ELB, or using another method as may be agreed.
- 8.2 Delivery methods.** Documents can be delivered by hand, by post, using a courier service, by fax, via ELB or via e-mail. The Bank may also deliver documents to the Client's data mailbox if there are special reasons for doing so.
- 8.3 Moment of delivery.** Documents delivered by the Bank to the Client are delivered:
- (i) upon receipt thereof in the case of documents being delivered to the Client by restricted delivery or by a registered letter or against a 'certificate of delivery'. Notwithstanding the foregoing, the Bank will proceed on the assumption that documents have been delivered on the 3rd Business Day after being sent for delivery within the Czech Republic or on the 15th Business Day after being sent for delivery abroad, unless the Bank becomes aware that a document has been delivered before the end of that period;
 - (ii) at the moment of their loading and displaying in ELB if the documents are delivered via ELB;
 - (iii) at the moment of their sending to the Client in the case of delivery via e-mail;
 - (iv) at the moment of the acknowledgement of successful transmission, generated by the sender's device, in the case of delivery via fax;
 - (v) where the Client frustrates the delivery of a document (in particular by refusing receipt thereof), the Bank will proceed as if the document was delivered on the day that the document would have been delivered to the Client if the Client had not frustrated its delivery. Frustration of the delivery of a document also includes any breach of the Client's obligation to notify the Bank of a change of delivery address.
 - (vi) If a document is returned to the Bank as undelivered for any reason other than frustration of its delivery, the Bank will proceed as if the document was delivered on the day specified in point (i) above.
- 8.4** Clients may agree with the Bank that some documents will be forwarded to the Client's Place of Business for personal collection. In such a case, documents are delivered upon receipt by the Client. Notwithstanding the foregoing, the Bank will proceed on the assumption that a document was delivered on the 10th Business Day after the day that it was received and held for the Client to collect at the Client's Place of Business. Where such documents are not collected within six months, the Bank may destroy them.
- 8.5 Delivery to the Bank.** Clients deliver documents for the Bank to the Client's Place of Business or in another way as may be agreed.

9. Clients' orders and requests

- 9.1** The Client's orders and requests must have the form and content acceptable for the Bank; otherwise, the Bank may reject the order or refuse the request. The Client may also submit orders and requests via ELB under the conditions of the SBC.
- 9.2 Conditions for execution.** The Bank may reject orders and refuse requests:
- (i) that are incomplete, unintelligible, unclear, formally incorrect or otherwise made contrary to the agreed conditions;
 - (ii) that contain details that have been crossed out or corrected, that have been submitted only in the form of a photocopy, etc.;
 - (iii) that are not signed in accordance with the Specimen Signature and not in accordance with any other conditions (the set limits, etc.);
 - (iv) where execution of such orders and/or request would be contrary to legislation, or for serious operating and technical reasons.
- 9.3** The Bank may suspend the execution or refuse to execute an order or request if it has reasonable concerns that the Client will not be able to meet their obligations to the Bank, or where the Bank has outstanding receivables from the Client, which are past due. The Bank is authorized to extend the time limit for provision of the Payment Order in accordance with and under the conditions set out in the Payment Act.
- 9.4** The Bank has the right to carry out the identification of any person submitting an order or request.
- 9.5 Change and cancellation of orders.** Clients may change or revoke their order or request subject to agreement with the Bank unless legislation rules this out.

10. Establishment of contractual relationships

- 10.1** The Bank and the Client usually enter into an Agreement at a Place of Business. Unless stipulated otherwise in the Agreement, Agreements are entered into for an indefinite period of time. An Agreement is concluded following consensus on all of its particulars.
- 10.2** The Bank may terminate talks on Agreement conclusion at any time, giving no reasons.

11. Changes to contractual relationships

- 11.1** The Bank may propose amendments to these GBC, any SBC, the Price List and/or the Interest Rate List in particular further to changes in legislation, for the purpose of improving the quality of the Banking Services that it provides, and with regard to the Bank's business objectives.
- 11.2** The Bank shall inform Clients about proposed amendments to the GBC, any SBC, the Price List and/or the Interest Rate List at least two months before the proposed date of effect. The Bank shall inform Clients about the proposed amendments and the date of effect of such amendments in the manner agreed with Clients.
- 11.3** The Client is entitled to accept a proposed amendment to the GBC, any SBC, the Price List and/or the Interest Rate List with effect from the day of effect proposed by the Bank also by not rejecting the proposed amendment in writing by the Business Day preceding the expected date of effect of the proposed amendment. Clients shall be advised of this consequence in the proposal for the amendment.
- 11.4** If, under the conditions of this Article 11, the Client refuses a proposed amendment to the GBC, any SBC, the Price List and/or the Interest Rate List in writing by the Business Day preceding the expected date of effect of the proposed amendment the Client has the right to terminate the obligation under the Agreement. The Bank shall inform Clients about the right to terminate the obligation under the Agreement in the proposal for the amendment. The termination must be in writing and delivered to the Client's Place of Business. The Client is entitled to accepted the proposed amendment with effect from the day of effect proposed by the Bank also by not exercising his right to terminate the obligation under the Agreement.
- 11.5 Amendments to the Agreement on Payment Services.** If the Client - Consumer does not refuse a proposed amendment to the GBC, any SBC, the Price List and/or the Interest Rate List relating to the Payment Services in writing by the Business Day preceding the expected date of effect of the proposed amendment, the Client - Consumer is understood to have accepted the proposed amendment with effect from the day proposed by the Bank. Client - Consumer shall be advised of this consequence in the proposal for the amendment. Changes to GBC, SBC, Price List and/or the Interest Rate List covers both the new and previously provided Banking Services. If the Client - Consumer

refuses the amendment in writing by the Business Day preceding the expected date of effect of the proposed amendment, the Client - Consumer has right to terminate the Agreement on Payment Services immediately and free of charge. If Clients do not exercise their right to terminate the obligation under the Agreement, they are understood to have accepted the proposed amendment with effect from the day of effect proposed by the Bank. If the Client, who is not a Client - Consumer, rejects the proposal for a change related to the Payment Services in writing, both the Client and the Bank have the right to terminate the Agreement with effect from the effective date of the change. The termination notice shall be delivered to the other party before the date on which the proposed amendment is to take effect.

11.6 Clients have the right to refuse a proposed amendment and may also terminate the obligation under the Agreement only if the proposed amendment directly concerns the Banking Service provided to the Client under the Agreement.

11.7 Changes with immediate effect. Without prejudice to the provision of this GBC the Bank has the right to make with immediate effect the unilateral changes:

- (i) GBC, SBC, Price List, Interest Rate List if such change is made exclusively for the benefit of Clients or in the case of extending the provided Banking Services to include a new Banking Service;
- (ii) required by the applicable law;
- (iii) of name of a Banking Service, which does not have an impact on the rights and obligations arising out of the Agreement;
- (iv) in the particulars that are not set out in the contracting parties' agreement and have a purely informative nature (such as information about the Bank's registered office or name).

The Bank shall notify Clients of amendments under this Article in the manner specified in clause 11.2 above.

12. Discharge of contractual relationships

12.1 Withdrawal by the Bank. The Bank may withdraw from Agreements if Clients materially breach their contractual or statutory obligations in connection with Banking Services (in particular unauthorised debit on the Account, or the provision of false information) or if the Bank discovers any other significant facts as a consequence of which Clients' ability to duly meet their obligations is seriously jeopardised. The Agreement shall be discharged on the day of delivery of the notice of withdrawal, or within a different period specified by the Bank. Termination of the Agreement has no impact on Client's obligations to pay any and all debts incurred during the existence of the Agreement.

12.2 Arrangement. The Agreement shall be discharged on the basis of a written arrangement between the Client and the Bank.

12.3 Expiration. The Agreement shall be discharged upon the expiration of the period for which it was concluded.

12.4 Termination of obligation under the Agreement

- (a) **Termination by the Client.** The Client may terminate the obligation under any Agreement in writing at any time. An order to close an Account is also written termination of the Account. Unless agreed otherwise or unless laid down otherwise in legislation, the period of notice is 30 calendar days and starts to run on the Business Day following the delivery of the notice to the Bank.
- (b) A Client's notice of termination in relation to an Account that is subject to enforcement or execution proceedings shall only become effective upon the conclusion of the relevant enforcement or execution proceedings unless the Bank and the Client explicitly agree otherwise in a particular case.
- (c) **Termination by the Bank.** The Bank may terminate the obligation under Agreements concluded for an indefinite period of time; in such a case, the period of notice is two months (unless the Bank specifies a longer period of notice in the notice) and starts to run on the Business Day following the delivery of the notice to the Client unless agreed otherwise or unless laid down otherwise in legislation.
- (d) In the event of the termination of the validity of the last of the Payment Services provided under an Agreement on Payment Services, the Agreement on Payment Services shall also be discharged, unless agreed otherwise.
- (e) During the period of notice, the Bank may block funds in an amount equalling the expected Fees, the costs of settling the Account, and possibly debit interest.

12.5 Settlement of rights and obligations. The Bank and the Client shall, in relation to the end of their contractual relationships, settle their receivables from and debts to each other as existing on the day of the discharge of the Agreement, provided that in the case of withdrawal, debts fall due and payable on the Business Day following the delivery of the notice of withdrawal to the Client, unless there is a later date set out by the Bank. In such a case, the Bank only refunds the prorated part of the Fee for the Banking Service if explicitly so required in the Agreement or legislation.

12.6 Limitation. The Client agrees that unless this is contrary to legislation in a particular case, all of the Bank's rights over and receivables from the Client shall be statute-barred in 15 years; where legislation in force before the effect of the Civil Code is used for a particular contractual relationship, they shall be statute-barred in ten years from the day on which the Bank could exercise/demand them for the first time.

13. The bank's liability

13.1 The Bank is liable to Clients for the due and timely performance of its obligations under Agreements. An obligation of the Bank shall be deemed performed in a due and timely manner if performed within the periods required by legislation, an Agreement, these GBC or the SBC, or within periods that are adequate to the nature of such obligation and to banks' procedures reflecting customary business practice. The Bank is liable to Clients for any damage incurred by Clients due to the Bank's breach of its obligations under Agreements.

13.2 The Bank is not liable to Clients for damage in cases where

- (i) the damage was caused by illegal conduct of the Client or a third party;
- (ii) the damage was caused by a breach of obligations of persons representing the Client;
- (iii) the damage was due to the Bank having proceeded in accordance with the Client's orders and requests or for damage that the Client incurred as a consequence of the Client's own business or other decisions;
- (iv) the damage was caused by the Bank acting in accordance with the Agreement;
- (v) the damage was caused otherwise than wilfully or due to Bank's gross negligence;
- (vi) the breach of the obligation in question was caused by an unforeseeable and insurmountable obstacle arising beyond the Bank's control or by circumstances precluding liability of the Bank (including, without limitation, events of force majeure, including natural disasters, war, civil unrest, actions of institutions used by the Bank in payments, strikes, work stoppages, and defects in the telecommunications means used between the Client and the Bank), which occurred beyond the Bank's control and which the Bank could not have reasonably foreseen at the time of the establishment of the obligation; or
- (vii) the breach of the Bank's obligation was caused by the Client's or Authorized Person's conduct or lack of the Client's or Authorized Person's cooperation.

13.3 The Bank's liability for unauthorised or incorrectly executed Payment Transactions is described in specific business conditions of PPF banka a.s. for payments. If the Agreement refers to articles governing the liability for unauthorized or incorrectly executed Payment Transactions, it is understood to be the reference to relevant articles in the specific business conditions of PPF banka a.s. for payments.

13.4 The Bank shall not be held liable for any damage caused by the disclosure of the messages sent to the telephone number provided by the Client, or the Bank's or third parties' e-mail address.

13.5 The Bank shall not be held liable for damage caused to the Client in the case of abuse of the electronic communications network (in particular e-mail and fax).

13.6 The Client shall ensure that the Authorised Person or other persons who represent the Client and use Banking Services, or participate in the use thereof, are at all times properly acquainted with the relevant Agreement, the SBC, the GBC, the Price List, the Interest Rate List and other documents pertaining to the Banking Service in question. The Client agrees that these persons shall perform the Client's obligations under these documents and applicable legislation to the full extent. The Client shall at all times be held fully liable for cases where these persons breach the conditions set out in these documents and is obliged to compensate the Bank for any damage caused to the Bank by the breach of these conditions.

14. Complaints

- 14.1** Complaints are handled in accordance with the Bank's Complaints Code. The Complaints Code is available at the Places of Business and on the Website.
- 14.2** Clients and persons representing Clients are obliged to check executed Payment Transactions on a regular basis.

15. Insurance of deposits

- 15.1** Receivables arising from deposits on Accounts are insured in accordance with legislation (in particular the Banking Act). Insurance does not cover deposits of financial institutions, health insurers, and sovereign funds, or bills and notes and other securities. Detailed conditions of deposit insurance are available at the Places of Business and on the Website.
- 15.2** The Client is upon opening of the Account and at any time it is necessary for the purpose of fulfilment of conditions set out by applicable legislation obliged to notify the Bank about the fact, that owner of funds on the Account is person other than the Client (holder of the Account). The Client undertakes to provide the Bank with the identification data about the ultimate owner of the funds on the Account and other information to the extent required by the Banking Act. If the Client is the owner of funds deposited on the Account, then the Client is also entitled to confirm this fact to the Bank by not notifying the Bank of another owner of funds on the Account.
- 15.3** If the owner of funds deposited on the Account is a person other than the Account holder, the compensation for the insured deposit receivables belongs to actual owner of the funds on the Account.

16. Fees

- 16.1** For providing of Banking Services Clients undertake to pay the Fees set out in the Agreement, Price List or any other agreement made between the Client and the Bank.
- 16.2** Clients shall pay the Fees and other charges for the Banking Services provided and for the operations related to such services to the Bank in a due and timely manner. The Bank charges the Fees under the Agreement and the Price List effective at the time of the provision of the Banking Service. The Price List shows Fees in the currency in which the Account is kept, or in some other currency.
- 16.3 Individual prices.** The Bank may charge Fees for Banking Services which are not contained in the Price List and have been agreed with the Client in an Agreement or on the basis of some other arrangement with the Client. The Bank may charge individualised Fees (i.e. differently from the Price List).
- 16.4 Method of payment.** The Bank may debit the amount equalling the Fees for the Banking Services provided and for the operations related to the Banking Services from the Client's Account to which the provided Banking Services relate, otherwise from any other Account of the Client, on the dates determined by the Bank, even in the case of insufficient Available Balance on relevant Account. The Bank bills the Fees usually at the time of providing the Banking Service, or at the last day of the month in which the reason for Fee payment occurred.

17. Transactions in foreign currencies

- 17.1 Cashless transactions.** The Bank sells Clients Funds in a foreign currency for CZK at the "non-cash currency sell" Rate. The Bank buys Funds in a foreign currency for CZK at the "non-cash currency buy" Rate from Clients.
- 17.2 Cash transactions.** The Banks sells Clients Funds in a foreign currency for CZK at the "non-cash currency sell" Rate. The Bank buys Funds in a foreign currency for CZK at the "non-cash currency buy" Rate from Clients.
- 17.3** The Bank converts between foreign currencies via CZK using the procedure described in 17.1 and 17.2 above.
- 17.4** Fees are converted using the "median" ("střed" in Czech) Rate.
- 17.5 Exchange rate list.** The exchange rate list is published at the Places of Business or on the Website. The exchange rate list and any changes therein are in effect from their publication by the Bank, and Clients are not notified of any changes. The Bank may change the exchange rate list at its discretion. For transactions in foreign currencies, the Bank uses the Rate in the Bank's exchange rate list, which is effective at the moment when the transaction in question is being posted.

17.6 Individual rate. The Bank and the Client may agree on an individualised rate intended for Transactions in foreign currencies, provided that if the Transaction is not executed in the relationship for which the individualised rate was agreed, for reasons beyond the Bank's control, and the Bank suffers damage as a consequence of this, the Client shall compensate the damage without undue delay.

18. Assignment and set-off

18.1 Without the Bank's prior consent in writing the Client may not assign or pledge (this also applies *mutatis mutandis* to the putting up of receivables as security) any of the Client's receivables from the Bank or a part thereof (including receivables arising from Accounts), or assign an Agreement or a part thereof or the Client's rights and obligations under an Agreement, unless the assignment is to the Bank or the pledge is in favour of the Bank.

18.2 The Bank has the right to assign an Agreement or a part thereof, its receivables from the Client or a part thereof, or the rights and obligations under an Agreement to a third party and the Client hereby gives express consent to this. The Bank is entitled to accept the fulfilment of the Client's obligation by a third party, in full or in part, even without the Client's consent. The Bank and the Client agree to exclude the use of Section 1899 of the Civil Code.

18.3 Set-off. The Client agrees that the Bank may set off any of its receivables from the Client, whether due, not yet due, or statute-barred, against the Client's receivables from the Bank, both due and not yet due, regardless of the currency of the receivable and the legal relationship from which the receivable arises. For the purpose of such set-off the Bank may convert the currencies at the Bank's Rate applicable at the time of the set-off. Without the Bank's express consent, the Client may not set off any of the Client's receivables from the Bank against any of the Bank's receivables from the Client, regardless of the currency of the receivable and the legal relationship from which the receivable arises.

19. Taxes

19.1 The Bank deducts income tax in the amount specified by the applicable legislation.

19.2 Where Clients request the Bank to apply taxation under an international agreement on the avoidance of double taxation by which the Czech Republic is bound, they must prove to the Bank that they are tax residents of another country. For this purpose, the Clients must submit, without limitation, the original (officially verified copy) of a document proving their tax residence, issued by the competent tax authority (the so-called tax domicile). The Client hereby declares that the income arising from the funds managed by the Bank is his property and that these are duly taxed in the country in which he is a tax resident.

19.3 The Bank shall withhold income tax in the amount complying with the relevant international agreement following the submission of the document pursuant to the Article 19.2 by Clients and its acceptance by the Bank. Clients agree to submit to the Bank such a document every year throughout the term of the contractual relationship, at all times by 31 January.

19.4 Clients acknowledge that should they fail to submit such tax residence document to the Bank, taxation will be applied to them without the relief provided for in the respective double taxation agreements.

20. Selected banking services

20.1 Term deposit

(a) Term deposits are set up in relation to deposit accounts or Payment Accounts as a non-recurring deposit transaction (with a fixed term and amount, and with a single maturity of the deposit) or as a revolving deposit transaction (for a period with automatic renewal of the original term). The minimum amount of the term deposit is specified in the Price List.

(b) The Bank credits interest accrued on the term deposit on the maturity date to the Account agreed in the Agreement.

(c) **Interest on term deposits.** The interest rate is fixed and does not change over the entire duration of a term deposit, or over the entire duration of one period of a revolving term deposit. Interest accrues on a term deposit from the date of establishment, or from the date of the commencement of each individual period of a revolving term deposit and stops accruing on the day preceding the maturity of the term deposit or the end of the period of the revolving term deposit. The interest rate is agreed individually.

(d) **Termination of term deposits:**

- (i) With exceptions set out in the Agreement, Clients are not permitted to handle term deposits before their Maturity Date.
- (ii) Clients may request early termination of term deposits in a written request submitted at least three Business Days before the required day of term deposit termination. Where a term deposit is terminated before its Maturity Date, it is terminated early. The Bank may charge a fee under the Price list for an early termination of a term deposit.
- (iii) Revolving term deposits can be terminated based on the Client's request submitted at least one Business Day before the end of the period of the revolving term deposit; otherwise, such deposit will be automatically extended.
- (iv) The Bank may terminate a term deposit if the balance on the Account falls under the minimum amount required for setting up a term deposit.

20.2 Deposit Transactions and Spot Transactions

- (a) **Entering into a Transaction.** Transactions may be entered into in writing, by means of telecommunications, or orally over recorded telephone lines.
- (b) **Settlement.** Immediately after entering into a Transaction, or by 11 a.m. on the day agreed for Transaction settlement, the Client is obliged to transfer the amount payable to the Bank to the Bank's relevant Account designated as the account for payments in the respective currency. Should the Client default on this obligation the Bank is not obliged to execute the Transaction any further and in such a case, the Bank may withdraw from the Transaction as such with effect as of the point in time of notifying the Client of such withdrawal.
- (c) Clients have no legal entitlement to an early termination of Transactions before the agreed day of settlement or maturity.
- (d) The Bank has the right not to execute operations the execution of which the Bank would consider to be, in particular, at variance with legislation or capable of causing the initiation of court or other proceedings against the Bank. The Bank has the right to execute any and all operations that it considers to be necessary for meeting the conditions laid down in legislation.
- (e) **Confirmation.** The Bank will send a confirmation without undue delay after entering into a Transaction, stating the terms and conditions of the agreed Transaction. Confirmations have only a declaratory nature and do not constitute a legal basis for Transactions. In respect of the content of a confirmation, Clients may submit objections, however, not later than on the Business Day following receipt of the confirmation. The Client is entitled to confirm the accuracy and correctness of a confirmation explicitly or by not raising objections or by not raising objections within the set period.
- (f) **Force majeure.** The Bank shall not be held liable for any delay with or failure of the execution of the transfer of Transaction funds occurring due to force majeure.
- (g) **Clients' special liability.** Clients shall be held fully liable for any losses and damage suffered by the Bank as a consequence of Clients breaching or failing to perform obligations arising from the Transaction in question or as a consequence of Client-initiated changes or cancellation of the conditions of a Transaction already entered into.
- (h) **Transaction termination.** Without prejudice to any other provisions in these GBC, if (i) the Client breaches or fails to perform any of its obligations agreed in any Transaction or (ii) the Client requests from the Bank a change or cancellation of the conditions of any outstanding Transaction, the Client agrees to indemnify and hold harmless the Bank for any losses or damage that the Bank may suffer due to such breach or failure by the Client or as the result of such change or cancellation by the Client. Upon such termination of or, as applicable, withdrawal from the Transaction by the Bank, or any change or cancellation of the conditions of an outstanding Transaction, the Bank shall, in good faith and in a commercially acceptable manner, determine the amount in Czech crowns, or any other freely convertible currency, equalling the costs (expressed as a positive number) or gains (expressed as a negative number) that are incurred by the Bank in connection with the termination or, as applicable, change of such Transaction (the "**Loss**") for the purpose of maintaining the economic value of all the payments and deliveries that the Bank would be entitled to receive, or obliged to provide, on the basis of the Transaction but for the termination or change thereof. If the Loss is a positive number, the Client will pay it to the Bank; if it is a negative number, the Bank will pay the absolute value of the Loss to the Client. The Loss is payable on the date of such termination of the Transaction or on the date of change of Transaction conditions and the Loss shall be paid by debiting the Loss amount from any Payment Account of the Client, or by crediting it to any Payment Account of the Client, unless agreed otherwise with the Client. Where terms and conditions for Transactions are not provided for in specific provisions

of these GBC they are governed by the other provisions of these GBC and the customary business practice applied to such types of transactions on the interbank market.

21. Accounts

21.1 Account opening and maintenance

- (a) The Bank standardly opens Accounts for natural persons of legal age and legal entities registered in the Czech Republic or other countries or for trust ("*svěřenský fond*" in Czech) on the basis of an Agreement on Payment Services. The Account is established within 2 Business Days from the date of concluding the Agreement. The Bank does not open anonymous Accounts or joint Accounts for more than one Client.
- (b) **Minimum deposit and balance.** The Bank may stipulate in the Agreement a minimum amount of the deposit and/or a minimum amount of the balance on the Account.
- (c) Accounts for natural persons not engaged in business are designated solely for personal, non-business purposes. Accounts for natural persons as sole traders are designated solely for business purposes and Accounts for legal entities are designated solely for business purposes only or for other purposes. Clients are not allowed to use Accounts contrary to the agreed purpose.
- (d) **Identification of Accounts.** The Bank allocates a Unique Identifier to each Account, which both the Bank and Clients are to reference in their communications regarding the Account. If required by legislation or due to serious operational reasons allowing the Bank no other option, the Bank may change the Unique Identifier at its sole discretion. The Bank shall inform Clients of this fact in writing within a reasonable period, at the latest two months before the effectiveness of the change. The Bank is not liable for any costs incurred by Clients due to the change of their Unique Identifier. Part of the identification of an Account is its name, which contains the Client's first name and surname or its company/business name.

21.2 Handling of Funds on Accounts

- (a) **Handling of Funds by Clients.** The Client and the Authorised Person to the extent of his or her authorisation have the right to handle Funds on Accounts. Funds in an Account may be handled only up to the amount of the Available Balance.
- (b) **Unauthorised debit.** In the event of any unauthorised debit balance in an Account for any reason, the Client shall immediately pay the Bank all amounts owed, including incidentals. Unauthorised debit continues to exist if on the day on which all owed amounts are paid to the Bank an unauthorised debit comes into existence on the Account again.
- (c) **Restriction.** The Bank may restrict the handling of Funds in an Account at its discretion if this procedure is required by legislation or where this is in accordance with an Agreement or conditions otherwise agreed between the Bank and the Client.
- (d) In the event that the handling of Funds on the Account is restricted due to the enforcement of a decision by the garnishment of funds from the Client's Account, the Bank may block an amount in an account held in a foreign currency equal to the amount of the garnished funds plus 10 % to cover any exchange rate differences.
- (e) **Handling of Funds by the Bank.** The Bank may handle Funds on Accounts if so laid down or stipulated in legislation or Agreements. Clients agree that the Bank has the right to debit Funds from Accounts at the Bank for the following purposes:
 - (i) Payment of payable interest;
 - (ii) Corrective settlement due to its own incorrect posting or incorrect posting by a third-party Provider within the meaning of the relevant legislation;
 - (iii) Payment in cases required by the law;
 - (iv) Payment of all charges, fees and expenses in connection with the provision of Banking Services, including fees of third-party banks and persons involved in payments operations;
 - (v) Payment of the amount of cheques or money orders already encashed by the Bank in the case of the cheque Payer's or the collection bank's subsequent failure to pay them;
 - (vi) Payment of the Bank's receivables (including the cheque Payer's or the collection bank's expenses) that arose after the cheque amount or the money order amount was credited to the Client's Account if the Client failed to keep the contract conditions concerning the encashment of cheques or money orders, or if it is later found that the Client had accepted a counterfeit or altered cheque or money order;

- (vii) Payment of a credited payment from abroad if the sending bank did not ensure cover/transfer of funds for the benefit of the Bank;
- (viii) Return of pensions and other statutory benefits and allowances (however, only up to the amount of the credit balance on the Account) in cases where the Beneficiary's entitlement to such payments has ended and the Payer has explicitly requested the return of such unjustifiably remitted payment;
- (ix) Return of a direct debit amount credited to the Client's Account, the return of which the Payer is demanding in compliance with the Payments Act;
- (x) Return of a credited payment if the number of the Beneficiary's or the Payer's Account is included in the list of unauthorised online games in accordance with the requirements of the act No 186/2006, Gambling Act, as amended;
- (xi) Payment of any other of the Bank's receivables due from the Client, including statute-barred receivables; or
- (xii) In other cases specified in legislation or an Agreement.

21.3 Interest on Accounts

- (a) The Bank shall interest the balances on the Account at an annual interest rate set out in the Interest price List or in the Agreement; interest is posted on a monthly basis on the last day of the month.
- (b) **Settlement of Interest.** Interest is settled monthly, at the end of a respective month, in the currency of the Account. Interest is subject to taxation under applicable legislation. Upon payment or in other cases envisaged by legislation the Bank carries out the withholding or securing of taxes.
- (c) **Interest on credit balance.** Interest accrues on the credit balance from the date that Funds are credited to the Account until the day preceding the withdrawal or transfer of the Funds from the Account. Interest is credited in the currency of the Account.
- (d) **Interest on debit balance.** Interest accrued on the debit balance from the day on which debit arose on the Account until the day preceding the day on which the debit balance is compensated.
- (e) **Interest rate.** The Bank sets the interest rates primarily in relation to the interest rates declared by the CNB and the development of interest rates in financial markets, taking into account the Bank's business policy. Interest rates are declared in the Interest Rate List. Interest rates can also be negative rates.
- (f) **Interest calculation.** The Bank calculates interest based on the actual number of days and a 360-day year. Interest is calculated to two decimal places.
- (g) **Changes in interest rates.** The Bank may unilaterally change interest rates if such change is depending on changes in reference rates ((1) in the case of Accounts maintained in Czech crowns, the relevant reference rates are the CNB's discount rate, the CNB's two-week repo rate and the PRIBOR interbank rate announced by the Czech Financial Benchmark Facility; (2) in the case of Accounts denominated in euro, these reference rates are the European Central Bank's refinancing rate, the European Central Bank's deposit facility rate and the EURIBOR interbank rate announced by the European Money Markets Institute; (3) in the case of US Dollar Accounts, the applicable reference rates are the Federal Open Market Committee Federal Funds Rate and the Secured Overnight Financing Rate published by the Federal Reserve Bank of New York (or any relevant reference rates substituting them)) or any other objective facts. Unless set out otherwise in the Agreement, changes in interest rates on basis of former sentence are effective as of the date of publishing a new Interest Rate List on the Website and/ or in the Place of Business. Interest rate changes must be notified to Clients in accordance with the requirements of the Payments Act. If the Client is not a Client - Consumer, the Bank is entitled to unilaterally change interest rates or unilaterally terminate the use of individually negotiated interest rates.

21.4 Account statements

- (a) **Sending of statements, the form, frequency, and delivery.** The Bank informs Clients about balances and movements in Accounts via Account statements in the form of printed documents or electronic Statements. The frequency and method of delivery of Statements are agreed between the Bank and the Client. The Bank provides Clients - Consumers with statements, in compliance with the Payments Act, once per month free of charge via ELB or e-mail.
- (b) **Check of statements.** Upon receipt of statements and without undue delay, Clients are obliged to check whether Payment Transactions are authorised and correctly executed. Clients shall notify the Bank of unauthorised or incorrectly executed Payment Transactions without undue delay from discovering them, however, not later than within 13 months from the moment when the amount was made available for Payment Transaction execution, and within three months in other cases. The right

to have an unauthorised or incorrectly executed Payment Transaction remedied shall not be granted following the end of the above time limits. The time limit for notification does not start to run before the Bank meets its information obligation to Clients under the Payments Act.

- (c) The Bank provides information about considerations and an annual list of considerations for services related to Payment Accounts in CZK in accordance with the requirements of the Payments Act, unless agreed otherwise with the Client.

21.5 Account closing

- (a) **Settlement.** Following the discharge of the Agreement on Payment Services, the Bank closes the Account. The Client shall instruct the Bank as to the treatment of the balance on the Account. Where the Client does not give instructions as to the treatment of the balance, the Bank closes the Account and keeps the balance in its records with no interest accruing on the balance. Before the Account is closed, the Client shall return to the Bank all items (chequebooks, unused cheques), that the Bank supplied the Client with in connection with providing Banking Services.
- (b) **Payment account switching.** The Payment account can be switched based on the Client's request to the extent and under the conditions laid down in the Payments Act and the Czech Banking Association's Standard on Client Mobility – Procedure for Payment Account Switching (the link to the Standard is shown on the Website and is also available at Places of Business).
- (c) **Orders and requests; Banking Service.** Together with closing the Account, the Bank automatically cancels all orders, requests and Banking Services related to the closed Account. The Bank returns any Payment Transaction incoming to credit the closed Account to the Payer.
- (d) **Death of Clients - Consumers.** The Account does not cease to exist upon the death of the Account holder, unless agreed otherwise with the Client. Where the Bank receives proof that the Client - Consumer has died, on the following Business Day it stops those Payment Transactions which the Client specified were to be stopped by the Bank upon the Client's death. The Bank takes further steps in line with the development of the probate proceedings.

22. Basic payment account

22.1 The basic payment account is a payment account in CZK, with which Payment Services are connected in the scope laid down in the Payments Act. The basic payment account is intended only for the person who is a consumer and also

- (i) a national of an EU/EEA member state or his or her family member;
- (ii) a foreign national staying in the Czech Republic on a temporary or permanent basis under the law on the stay of foreign nationals in the Czech Republic;
- (iii) a foreign national who has applied, in the Czech Republic, for international protection or who has been granted asylum or subsidiary protection under the law on asylum;
- (iv) a foreign national staying in the Czech Republic under the law on temporary protection of foreign nationals;
- (v) a person staying in the Czech Republic under the law on the stay of armed forces of other countries in the Czech Republic;
- (vi) a person enjoying prerogatives and immunities in the Czech Republic under international law; or
- (vii) a person legally staying in another EU/EEA member state.

22.2 The Bank has the right to refuse to open a basic payment account if:

- (i) the person under clause 22.1 above holds a Payment Account maintained in the Czech Republic, through which the same Payment Services can be received as those connected with a basic payment account;
- (ii) in the preceding 12 months, the Bank terminated or withdrew from an agreement on a basic payment account concluded with this person or the Bank withdrew from another Agreement on Payment Services concluded with such person for a gross breach of contract; or
- (iii) by concluding an agreement on a basic payment account the Bank would breach any provisions of legislation.

22.3 Termination of agreements on basic payment accounts: The Bank may terminate agreements on basic payment accounts if:

- (i) the Client - Consumer has not executed any Payment Transaction for more than 24 months;
- (ii) the Client - Consumer fails to meet the conditions under clause 22.1 above;
- (iii) the Client - Consumer meets the conditions under clause 22.2 (i) above;
- (iv) the Client - Consumer rejects a proposal for an amendment to the agreement on a basic payment account; or
- (v) the Bank no longer provides Payment Services to consumers or is divested of the relevant authorisations to provide Payment Services.

22.4 Withdrawal from agreements on basic payment accounts: The Bank has the right to withdraw from such agreement if:

- (i) the Client - Consumer uses the account at variance with the Money Laundering Act or at variance with any other law;
- (ii) the opening and maintenance of the account is based on false or grossly distorted information provided by the Client - Consumer;
- (iii) the Client - Consumer commits a material breach of their obligations under the agreement; or
- (iv) The continued existence of the agreement on a basic payment account is at variance with legislation.

22.5 The Bank may terminate or withdraw from the agreement within three months from the day on which the Bank learned of the grounds for terminating or withdrawing from the agreement on a basic payment account (this period shall not apply in the case of termination under clauses 22.3 (v) above and 22.4 (i) and (iv) above).

23. Final provisions

23.1 Severability. If an article of an Agreement, SBC, GBC, Price List or the Interest Rate List becomes invalid, ineffective or unenforceable or is at variance with applicable legislation, it is severed from the other parts of the document in question and such invalidity, ineffectiveness, unenforceability or variance shall be without prejudice to the validity, effect and enforceability of the other parts of the Agreement, SBC, GBC, Price List or Interest Rate List.

23.2 Transitory provisions

- (a) Where the Bank has published a proposal for amendments to the GBC, SBC, the Price List and the Interest Rate List, and a new Agreement is entered into with a Client in this period, the GBC, SBC, the Price List and the Interest Rate List effective on the day of Agreement conclusion are integral parts of the Agreement until the last calendar day before the day of effect of the amendments, and the proposed amended GBC, SBC, the Price List or the Interest Rate List shall be deemed integral parts of the Agreement from the proposed date of effect.
- (b) The Bank provides information about considerations and an annual list of considerations under the GBC as of the effect of the relevant law and in accordance with the requirements thereof.

23.3 Governing law and dispute resolution

- (a) Legal relationships between the Bank and Clients are governed by Czech law, unless stipulated otherwise in separate arrangements.
- (b) Under Section 89a of Act No 99/1963, Rules of Civil Procedure, as amended, the Bank and the Client (except Client – Consumer) agree that for resolving any disputes arising from or in connection with an Agreement (including matters concerning its validity, effect and interpretation) the competent court shall be (i) the Prague Municipal Court if regional courts have jurisdiction in rem for adjudicating the dispute, or (ii) the Praha 6 District Court if district courts have jurisdiction in rem for adjudicating the dispute.
- (c) The ADR entity for consumer disputes is the financial arbitrator, whose competences are laid down in the Act on the Financial Arbitrator.

Contact details:

Finanční arbitr ČR, Legerova 69/1581, 110 00 Praha 1, tel.: +420 257 042 070, e-mail: arbitr@finarbitr.cz.

More information is available at www.finarbitr.cz.

- (d) Should the Bank breach its obligations under an Agreement or legislation the Client has the right to lodge a complaint under clause 1.5 of the GBC.

23.4 Exclusion of the application of certain provisions of the Civil Code. Unless agreed otherwise with the Client, the Bank and the Client agree to exclude the application of Sections 558 (2) (to the extent in which it lays down that customary business usage takes precedence over a non – compelling provisions of the law), 1727 (the second and third sentence) 1740 (3), 1748, 1766, 1799, 1800, 1805, 1888 (2), 1899, 1913, 1930 (2), 1931 (the second sentence), 1932, 1933, 1950, 1951, 1952 (2), 1957, 1970 (this exclusion shall be without prejudice to the provisions on late payment interest of the Agreement), 1971, 1978 (2), 1980, 1987 (2), 1995 (2), 2006 (1) second sentence, and 2007.

23.5 Force and effect, repealing provision. These GBC come into force on 1 May 2024 and into effect on 1 July 2024. These GBC shall supersede the GBC that have been in effect since 1 July 2021.