

OVERVIEW OF CHANGES TO THE GENERAL BUSINESS TERMS AND CONDITIONS (HEREINAFTER THE "GENERAL CONDITIONS") EFFECTIVE FROM 4 DECEMBER 2019

This English version of the contractual documents is for information only and is not legally valid. In the event of any discrepancies between the Czech and English versions, the Czech version shall prevail.

The General Conditions have been amended as follows:

The wording of Article 4.1 has been deleted.

Numbering of existing Articles 4.2 and 4.3 thus changes accordingly; moreover, **Article 4.4** newly includes provisions governing an obligation to notify for Clients, who take part in a cross-border arrangement in connection with the use of Banking Services on the basis of applicable tax legislation.

The first sentence of Articles 8.1 and 8.4 now includes an option to agree on different delivery methods – e.g. to an email.

Article 12.2 governs contract termination by Clients to ensure they are able to deliver their notice of termination to any branch of the Bank.

In Article 13.3, a reference to a document that governs the method for altering the penalty interest amount in connection with an unauthorised overdraft for the duration thereof has been changed; this area will newly be governed by the relevant Product Terms and Condition (previously the General Conditions).

We have revised **Articles 16.2 and 16.3** to reflect the fact that the interest rate relating to credit balances of Accounts of Clients – consumers shall be set down by the Bank in consideration of the reference (interest) rate within the meaning of the Payment System Act – i.e. the two-week repo rate of the Czech National Bank. The Bank shall modify the interest rate relating to credit balances of Accounts of Clients – consumers that is not linked to the reference (interest) rate by means of a Notice on Interest Rates, in a manner and with an effective date foreseen by Article 31 of the General Conditions.

In Article 18.1, the term of the Payment Services Contract, after the expiration of which the Bank is no longer entitled to charge any fees for the termination of such Contract by Clients, has been reduced from 1 year to 6 months to reflect the applicable legislation.

Article 33.2 has been deleted.

Article 36.1 specifies the effective date of this amendment to the General Conditions (i.e. 4 December 2019).

OVERVIEW OF CHANGES TO THE PAYMENT SYSTEM NOTICE EFFECTIVE FROM 4 DECEMBER 2019

Existing Article 5.3 has been renumbered and is now referred to as Article 5.4; moreover, we have also included provisions that speed up the process of cash deposits being credited to current accounts, provided they are made on Business Days. It also details the process of cash deposits being credited to current accounts if made on Business Days between 20:00 and 24:00 or on a day other than a Business Day using deposit ATMs:

Cash deposits to an Account maintained by the Bank made in a deposit ATM on a Business Day between 20:00 and 24:00 or on a day other than a Business Day shall increase the Available Balance and may be used for outgoing payments on the basis of submitted Payment Orders in CZK without currency conversion, Payment Orders in foreign currency without currency conversion, Payment Orders for immediate payment in CZK, as well as ATM cash withdrawals or card payments. It may not be possible to use these cash deposits made using an ATM for standing Payment Orders in CZK or foreign currency, automatic account balance transfers, payments to credit card accounts or accounts that are not Payment Accounts, and also for Payment Orders in CZK with currency conversion, Payment Orders in foreign currency with currency conversion, and Direct Debit Orders processed as a Batch processing type (continuous and batch), sent for clearing to take place on the day of their maturity after 20:30

We have renumbered existing Article 16.5 to Article 16.6; moreover, we have also included provisions that detail the frequency of settlement attempts in connection with standing orders in case of insufficient Account balance:

The processing of payments on the basis of Standing Payment Orders shall not be subject to multi-round processing. They are settled on their respective due dates (maturity) after 20:30. In case payments on the basis of Standing Payment Orders are not settled on their respective due dates (maturity), such payments may be settled on the following Business Day (subject to sufficient account balance) in case of Standing Orders with weekly frequency or on the next 4 consecutive Business Days in case of Standing Orders with another frequency, with the exception of daily and weekly frequency, always after 20:30.

Article 24.5 now includes provisions, according to which the period for outgoing payments may exceptionally be extended by one Business Day for Transactions outside the EEA and for Transactions within the EEA denominated in non-EEA currencies. These types of transactions depend on the transaction processing method by intermediary banks. **Article 33** shall be supplemented in the same manner as well.

Article 31.1 shall no longer include the option to set up a direct debit for O2. Existing direct debits for O2 may be modified or cancelled by clients. For the same reason, the wording of **Articles 44.5, 47.2, 47.6, and 47.12 has been revised**; moreover, **Article 47.11** that specified requirements for O2 direct debit authorisations **has been deleted in full**.

Article 54.1 and Article 54.2 state that the existing Notice, effective from 18 August 2019, shall be repealed and replaced by the new Notice that comes into effect on 4 December 2019. In this regard, changes made to the Notice effective from **18 August 2019** only concerned part “D” of the Notice that governs payment services provided by means of direct banking services. Concerned clients were informed about such changes via the relevant direct banking services. Moreover, we have added a new service – Immediate Payment; the Bank had disclosed this information in advance using a simplified procedure foreseen by Article 31.8 of the General Conditions.

Excerpts:

- All of the above mentioned changes apply to the excerpt for authorised overdrafts;
- None of the above mentioned changes apply to the excerpt for credit cards, with the exception of changes to Articles 2.1, 2.6, 54.1, and 54.2.

OVERVIEW OF CHANGES TO THE TERMS AND CONDITIONS FOR DEBIT CARDS, TERMS AND CONDITIONS FOR PERSONAL CREDIT CARDS, AND TERMS AND CONDITIONS FOR VIRTUAL DEBIT CARDS EFFECTIVE FROM 4 DECEMBER 2019

The proposed changes apply to Holders of MasterCard and Visa payment cards.

In Article 1.8 of the Terms and Conditions for Virtual Debit Cards and Article 1.9 of the Terms and Conditions for Debit Cards, we have added the already available possibility to cancel an automatic card renewal using the Mojebanka Internet banking.

We have added card Holder’s rights from the Contract in Article 1.10 of the Terms and Conditions for Debit Cards and Article 7.12 of the Terms and Conditions for Personal Credit Cards. They will be shorter and more transparent. The Article newly reads as follows:

Holder’s rights. *You agree that the Holder specified in the Contract may enter into Contract amendments with us that would solely concern (i) change of data relating to such Holder; or (ii) refusal of automatic card renewal in connection with such Holder; or (iii) request for a duplicate card for such Holder that may be subject to fees foreseen by the current Tariff of Fees, to be debited from the Account; or (iv) request for an early card renewal for such Holder.*

In Article 2.1 of the Terms and Conditions for Virtual Debit Cards, we have deleted client’s obligation to return a card – it is not applicable to virtual debit cards. The Article newly reads as follows:

Ownership. We are the exclusive owner of the virtual debit card. By accepting the card, the Holder becomes entitled to use the card in accordance with the Contract. *After the right to use of the card expires, the Holder shall be obliged to give the card back to us without any unnecessary delay or to destroy it so as to prevent its further use. Failing this, it shall be deemed a considerable breach of the Contract and you shall be held fully accountable for possible misuse of the card. You shall be obliged to recompense us, without any unnecessary delay, for any subsequent loss and amounts of settled transactions.*

Due to the fact that you can make a payment that exceeds an actual outstanding amount, we have revised Article 2.2 and Article 2.3 of the Terms and Conditions for Personal Credit Cards and added new Article 2.4 there in that reads as follows:

Card Account overpayment. *In case you make a payment to us that exceeds any debts existing under the Contract, we have the right to register an overpayment of the Card Account (provided this is technically feasible) that would be used to cover any future debts arising under the Contract. Newly incurred debts under the Contract will first be settled using such overpayment. A Card Account overpayment may only exist insofar as strictly necessary – e.g. in case of merchants' refunds to the Card Account in connection with claims concerning purchases with the relevant card. No interest shall be paid in connection with your overpayment. In case the Contract is terminated and we do not have any receivables from you under the Contract, we shall transfer such excess amount to you - in the amount registered in the Card Account as of the Contract termination date - to a Current Account maintained by us or to any other account notified to us by you upon the Contract termination.*

In connection with the addition of new Article 2.4 of the Terms and Conditions for Personal Credit Cards, Articles 2.4 through 2.7 are newly referred to as Articles 2.5 through 2.8.

In Article 2.3 of the Terms and Conditions for Debit Cards and Article 8.4 of the Terms and Conditions for Personal Credit Cards, we have added the support of Apple Pay for card digitalisation.

Articles 4.6, 7.2, and 10.4 of the Terms and Conditions for Debit Cards, Articles 4.6 and 7.2 of the Terms and Conditions for Virtual Debit Cards, and Articles 10.6, 13.2, and 16.4 of the Terms and Conditions for Personal Credit Cards now include a new form of transaction authorisation by unlocking a mobile device and other transaction authorisation options for card payments on the Internet (KB Klíč, Security Password).

In Article 7.10 of the Terms and Conditions for Personal Credit Cards, we have added the already available possibility to cancel an automatic card renewal using the Mojebanka Internet banking.

In Article 8.1 of the Terms and Conditions for Debit Cards and Article 14.1 of the Terms and Conditions for Personal Credit Cards that both govern Holder's duty to notify us of a debit card loss, theft or unauthorised use, we have clarified that the aforementioned obligation also applies to Digital Cards.

We have deleted provisions concerning Contract termination due to card destruction in Article 9.1 of the Terms and Conditions for Virtual Debit Cards.

We have revised the reference in Articles 9.4 and 9.5 of the Terms and Conditions for Virtual Debit Cards in connection with the renumbering in Article 9.1.

In Article 10.1 of the Terms and Conditions for Debit Cards and Article 16.1 of the Terms and Conditions for Personal Credit Cards, we have added the information that you can newly find your PIN card in your Internet banking.

In connection with the aforementioned changes, we inform you – in Article 10.3 of the Terms and Conditions for Debit Cards and in Article 16.3 of the Terms and Conditions for Personal Credit Cards – that it is necessary to protect your mobile device and prevent any unauthorised detection of your PIN in your Internet banking.

We have also included the provisions concerning the need to protect your mobile device in new Article 10.3 of the Terms and Conditions for Virtual Debit Cards.

The Article reads as follows:

Protection of mobile devices. *If you use your mobile device to authorise transactions via KB Klíč, you undertake to take such measures so as to prevent any unauthorised use of such mobile device by a third person. In case you use fingerprint reader or facial recognition technology in your mobile device for the purpose of authentication or authorisation, you are mainly required to only store your own identification elements in such device and not to allow any third person to add their own identification elements in such device. The aforementioned provisions shall apply accordingly to any other technology used to identify a mobile device owner at the operating system level that might be accepted by us.*

Article 10.3 of the Terms and Conditions for Virtual Debit Cards shall newly be referred to as Article 10.4 (renumbering only).

In Article 10.5 of the Terms and Conditions for Debit Cards, Article 10.2 of the Terms and Conditions for Virtual Debit Cards, and Article 16.5 of the Terms and Conditions for Personal Credit Cards, we draw your attention to the fact that it is also necessary to protect any 3D Secure passwords.

In Article 15.4 of the Terms and Conditions for Personal Credit Cards, we have clarified provisions concerning the possibility to annul a submitted termination notice

The Article new reads as follows:

Unless in case we agree in writing on issuing a new Card before expiration of the deadline set forth in Article 15.2 and 15.3 hereof, it shall be considered as if no Cause of Termination of the Contract has occurred. The above clause shall not apply if we are obliged to issue a new Card pursuant to the Contract.

In Article 11.1 of the Terms and Conditions for Debit Cards, Article 11.1 of the Terms and Conditions for Virtual Debit Cards, and Article 18.1 of the Terms and Conditions for Personal Credit Cards, we have added new names and designations for websites of merchants who support 3D Secure, we have added a definition for the term “KB Klíč”, and clarified the method for disclosing changes in the Guide to the Client for individual payment card types (the forward slash refers to the relevant terms and conditions).

*„3D Secure“ shall mean a manner of securing of debit/virtual debit/credit cards, protecting its Holder from the risk of an unauthorised transaction made over the Internet at a merchant providing the 3D Secure service, whose Internet pages should be branded with the “MasterCard Identity Check”, “MasterCard Secure Code”, “Visa Secure” or “**Verified by Visa**” logo.*

*„**KB Klíč**“ shall mean a method for creating an electronic signature that is based on individual characteristics of an activated application for supported mobile devices as well as the knowledge of a security PIN or biometrics and that makes it possible to verify signatory’s identity, electronically sign documents or authorise payment transactions.*

*“**Guide**” shall mean the Payment Cards Guide, a document containing additional important information about the debit card/card and its use, including the security rules, which the Bank is entitled to unilaterally amend, whereas we are required to inform you about such change in an Account statement or in another appropriate manner no less than 1 month prior to the proposed effective date of such change. This does not apply to changes that serve solely for the benefit of the Client or changes arising from any supplementation of existing banking service/product, without affecting existing fees. The Bank shall inform you about such changes immediately after they are made in a manner foreseen by the previous sentence. The Bank publishes the Guide on its website; alternatively, it is available at any Branch; it is not a Notice as defined by the General Conditions.*

In Article 11.1 of the Terms and Conditions for Debit Cards and Article 18.1 of the Terms and Conditions for Personal Credit Cards, we have also added a definition for the term “Apple Pay” for individual payment card types (the forward slash refers to the relevant terms and conditions).

„Apple Pay“.

*“**Apple Pay**” is a service provided by Apple Inc., which makes it possible for the users of MasterCard/Visa debit/credit cards to use their mobile devices, particularly smartphones, equipped with iOS compatible system to pay at NFC contactless terminals in regular shops as well as make online payments. This service, including applicable terms and conditions of use, is described in detail in the Guide.*

Moreover, we have revised the definition of the term “Holder” and simplified the definition of the term “Online Transactions” in Article 11.1 of the Terms and Conditions for Virtual Debit Cards.

Capitalised terms used herein shall have the meaning as defined in the General Conditions or below:

“Holder” shall mean an individual authorised to use the virtual debit card pursuant to the Contract, whose name is specified ~~on the card~~ in an envelope together with a card number. The Holder may be either you or a third person authorised by you.

“Online Transactions” shall mean any and all transactions executed using a virtual debit card via *electronic and mechanical* devices whereby, as a rule, changes to the current balance in the Account are registered in the payment cards authorisation system immediately.

Articles 12.4 and 12.5 of the Terms and Conditions for Debit Cards and of the Terms and Conditions for Virtual Debit Cards, and Articles 19.4 and 19.5 of the Terms and Conditions for Personal Credit Cards state that the existing Conditions effective from 2 August 2019 are repealed and replaced by the new Conditions that come into effect on 4 December 2019.

OVERVIEW OF CHANGES IN THE KB PRICELIST EFFECTIVE FROM 15 DECEMBER 2019

Prices of the most frequently used electronically submitted SEPA payments				
Account	Incoming payments		Outgoing payments	
	Current price	New price	Current price	New price
TOP Offer, MůjÚčet GOLD, MůjÚčet Plus	145 / 1,095	Free of charge	195 / 1,500	Free of charge
MůjÚčet, Basic Payment Account				6
G2.2 Student Account in CZK				Free of charge
Current account in CZK and foreign currency		6		6

Item in KB Pricelist	Price valid as of 15 December 2019	Change
Payment system		
Administration of standing orders, automatic transfers, and direct debits (incl. SIPO) for individual services		
Establishment, change via paper-based order – self-service box	69	Price change (previously 49)
Establishment, change via paper-based – at a branch	99	Price change (previously 79)
Foreign payments and FX payments outside KB		
Administration of outgoing SEPA Direct Debits		
SEPA Direct Debit mandate - establishment, change via paper-based order	99	Price change (previously 79)
Cash transactions		
Exchange of up to 100 pcs- (inclusive)- of one nominal value-	Free of charge	Fee deleted from the Pricelist
Other CZK-exchanges Exchange of sorted CZK banknotes and coins over 100 pcs of one nominal value	3 %, min. 100	Change of wording, fee unchanged
Direct Banking		
Expresní linka KB service		
Mini-statement sent by mail	39	Price change (previously 35)
Cheques		
Cash settlement of a cheque (CZK coins up to 50 pcs) *	100	Fee unchanged, withdrawal limited to 50 coins
* In case cash settlement of a cheque is made with more than 50 coins (CZK), we shall charge 3%, min. 100		
Debit cards, Other cards		
Immediate change of card parameters at a branch	99	Price change (previously 79)
Debit cards, Other cards, Credit cards		
Nonstandard change of card parameters	69	Price change (previously twice 29)