



This English version of the contractual document 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.

This Notice on the Payment System (hereinafter the "Notice") is a Notice as envisaged in the General Business Terms and Conditions issued by the Bank (hereinafter the "General Conditions") and sets forth terms and conditions for the provision of payment services, in particular deadlines of payment transactions, unless specified otherwise in the relevant Product Terms and Conditions. The Client is obliged to familiarise himself/herself with the Notice and comply therewith.

The Notice consists of the following sections:

- A) Joint Provisions
- B) System of Cash Payments
- C) System of Cashless Payments
- D) Payment Services Provided Via the Direct Banking Services
- E) Payment Services Provided Via *Expresní linka KB* Telephone Banking
- F) Cheques
- G) Final Provisions

All parts of this Notice are fully severable from each other and can be amended separately in the manner set forth under Article 31 of the General Conditions.

## A) JOINT PROVISIONS

### Article 1. General Provisions

- 1.1 Manner of implementing the payment system.** When making payments under the payment system, the Bank shall proceed in compliance with law, a relevant Contract and banking practice.
- 1.2** The Bank shall be obliged to receive to the Account any deposits and payments made to the credit of the Client, as well as pay out and/or transfer funds to the Client or persons designated by the Client based on Orders submitted by the Client or an individuals appointed by the Client. Client's current Accounts are intended for the payments.
- 1.3** Payments under the payment system can be made in cash or by cashless transfers based on Client's written Orders or, in case of cash payments, oral Orders, unless agreed upon otherwise in the Contract. The Bank shall execute an Order according to the method of delivery and within deadlines set forth herein. The deadlines shall start to run from the Moment of Effectiveness of an Order. If a conversion between a foreign currency and CZK or between foreign currencies is necessary in association with the payments, the Bank shall convert the currencies according to the principles set forth in Article 21 of the General Conditions.
- 1.4 Authorisation of payment transactions.** Unless provided otherwise by law<sup>1</sup>, a payment transaction shall be authorised if the Client approves it. The Client shall approve a payment transaction by attaching a signature of an Authorised Individual to a written Order or cash transaction receipt in accordance with Article 14 of the General Conditions, unless set forth otherwise in the Contract or agreed otherwise between the Client and the Bank.
- 1.5 Unauthorised and/or erroneously executed payment transactions.** The Client shall be obliged to inform the Bank about any unauthorised or erroneously executed payment transaction (either at the Client's Point of Sale or in another manner specified in relevant Product Terms and Conditions) without any unnecessary delay after he/she has learned about such a payment transaction, however no later than 13 months from the day on which funds have been debited from the Account. After the aforesaid deadline has elapsed in vain, the Client shall not be able to claim at court his/her rights ensuing from an unauthorised and/or erroneously executed payment transaction.
- 1.6** The Bank shall be held liable for any damage suffered by the Client as a result of unauthorised or erroneously executed payment transactions under the conditions set forth under Article 2 hereof.
- 1.7 Required particulars of an Order.** An Order submitted by the Client must include all the following particulars and information:
- a) Type of the Order (e.g., Payment Order or Collection Order);
  - b) Payer's Unique Identifier;
  - c) Payee's Unique Identifier;
  - d) Amount and currency of the payment transaction.
- The Client may also state other optional data, in particular the following ones:
- e) Variable symbol (a string of digits of maximum length 10);
  - f) Specific symbol (a string of digits of maximum length 10);
  - g) Constant symbol (a string of digits of maximum length 10).
- The Client shall not be obliged to use specific constant symbols prescribed by law or by the Bank. The Bank shall be entitled to execute an Order even if no constant symbol is stated, unless it contravenes law.
- Client's Orders must not be written in pencil. If the Client uses also a stamp/seal in his/her Orders according to the manner of signing agreed upon with the Bank, the signature(s) must not overlap with the stamp/seal. A print of the stamp/seal on an Order must always exactly agree with the print assigned by the Client to the given Account.
- 1.8 Submitting paper-based Orders to the Bank.** The Client shall submit the Orders on forms prescribed or, as the case may be, approved by the Bank (e.g., universal pre-printed forms or computer printouts). The Bank may approve a given form by executing an order. The Client shall take full responsibility for ensuring that his/her orders addressed to the Bank contain only truthful information and are in compliance with law and a relevant Contract. An imprint of Bank's rubber stamp (e.g., bearing the legend 'RECEIVED') or of the self-service box stamp shall not be considered as a confirmation that Moment of Effectiveness of the Order has occurred, nor shall be the self-service box stamp imprint considered as a confirmation that the Order has been delivered to the Bank.

<sup>1</sup> In particular Act No. 370/2017 Coll., the Payments Act, as amended.

# NOTICE ON THE PAYMENT SYSTEM

- 1.9 The Client may submit (hand over) a written Order at any point of sale of the Bank.
- 1.10 If an Order is submitted through a self-service box, the Client must see to it that it is correctly and completely filled in and a self-service box stamp is imprinted at any blank space of the Order so that it shall not overlap any text filled-in. The Client shall be further liable for the insertion of the original Order into a self-service box on the designated day.
- 1.11 The delivery of an Order shall mean an actual insertion of the Order into a self-service box or a delivery of the Order by post to the Bank.
- 1.12 **Rejection of an Order by the Bank.** The Bank shall be entitled to reject an Order in case that:
- The Order fails to meet the requirements and lacks the particulars set forth under Article 7 hereof;
  - The Order fails to meet other requirements, terms and conditions set forth herein, in the General Conditions, relevant Product Terms and Conditions and/or Contract;
  - There are not enough funds available in the Account to make settlement adjustment;
  - The Order is neither signed in the manner agreed upon for the relevant Account nor otherwise authorised in accordance with the agreed-upon method of the authorisation of Orders, or
  - There is lack of liquid funds available in the Account.
- The liquid funds shall also include an authorised debit balance or agreed overdraft credit facility, however, not the funds in the Account equal to Bank's receivables in respect of the Client, which the Bank is entitled to set off.
- 1.13 The Bank shall be entitled to reject or postpone the execution of the Client's Order if its execution might infringe, without limitation, (i) the law of the Czech Republic or of the country in which the intermediary bank is located, (ii) the business policy of the intermediary bank. Due to the reasons mentioned in the previous sentence the Bank shall also be entitled not to accept payments to be credited to the payee's account. The Client hereby acknowledges that for the reasons stated above, a payment may be returned or withheld by an intermediary bank. Limitations referred to in this Article shall be specified in detail on the Bank's Internet pages.
- 1.14 The Bank may refuse to execute a multiple Order in its part if the grounds for refusal lie only in such part of the Order.
- 1.15 If multiple Orders are to be executed on the same day, the Bank shall be entitled to determine the succession of the payments at its discretion.
- 1.16 If the Bank rejects an Order, it shall notify the Client of this fact. A fee may be charged for such notification as per the tariff of Fees. If the Bank rejects an Order related to a Payment Account, it shall notify the Client within a deadline set forth in a relevant Notice concerning the execution of such an Order. The Bank shall notify the Client about the rejection of the Order in writing by post or via a direct banking service, unless agreed otherwise between the Bank and the Client. If a paper-based Order has been submitted to the Bank, the Bank shall always notify the Client about the rejection thereof in writing by post. If possible, the Bank shall also explain to the Client reasons behind the rejection and suggest a way of correcting the faults.
- 1.17 **Cancellation of an Order by the Client.** The Client may cancel (withdraw) a Payment Order, Collection Order and/or Order for a payment to be made abroad by the Business Day immediately preceding the required Moment of Effectiveness of the Order (at the latest).
- 1.18 **Crediting the funds based on the Unique Identifier.** When crediting funds to an account, the Bank shall follow the payee's Unique Identifier, without which an Order cannot be properly executed. The Bank shall not be obliged to verify whether the Unique Identifier fits the name of the account and/or payee's other data and particulars. The Bank shall credit the funds to the account in accordance with the Unique Identifier even if it has found a discrepancy between the Unique Identifier and the name of the account and/or payee's other data and particulars the Bank shall have available, except for cases where such a transaction would contravene law.<sup>2</sup>
- 1.19 The Bank shall credit the funds to the payee's Account (provided that a correct Unique Identifier has been stated in an Order) in the currency in which the payee's Account is kept, notwithstanding the transaction currency. If the currency in which the payee's Account is kept is different from the transaction currency, the Bank shall make a currency conversion.
- 1.20 In case that the funds cannot be credited due to an incorrect Unique Identifier, the Bank shall reject such a payment and send the funds back to the payer bank.
- 1.21 **Bank's duty to inform.** Upon request of the Qualified Client who at the same time is in the capacity of a payer, the Bank shall inform him/her, before a transaction is executed to the debit of the Qualified Client's account, about
- a maximum legal deadline for the execution of the given transaction and
  - a fee the Client shall be obliged to pay to the Bank for such a transaction.
- The provision under the above paragraph (a) shall not apply to Transactions outside EEA and transactions carried out in the currencies other than those of EEA member states.
- 1.22 **Reducing a payment transaction amount.** The Bank shall be entitled to deduct Bank's fees, charges, and other costs from an amount of any payment transaction, as well as fees, charges, and costs charged by other entities through whose agency the Bank executes the transaction. However, the Bank must not deduct any amounts from payments (payment transactions) made from the Client's Payment Account if the Client is a payee, except for Transactions outside EEA.

## Article 2. Liability for Unauthorised or Erroneously Executed Payment Transactions

- 2.1 **Liability for an unauthorised payment transaction.** If any funds are debited from the Client's Payment Account as a result of an unauthorised payment transaction, the Bank shall be obliged to restore the balance in the relevant Payment Account to the original amount (as though no funds were debited) as soon as the Client has informed the Bank about the unauthorised payment transaction, however no later than on the next succeeding Business Day. If the balance in the relevant Payment Account cannot be restored, the Bank shall be obliged to refund to the Client the amount of such a payment transaction plus the remuneration already paid and lost interest. Should the Bank find the Client's complaint unjustified, it shall be entitled to deduct from the Account kept by the Bank the amount of the restored transaction, including any interest accrued thereon, if applicable, even if a debit balance may occur in the Account as a result of such deduction. If the deduction as per the foregoing sentence is not executed, the Bank shall be entitled to claim such a debt from the Client in accordance with law.
- 2.2 In case of an unauthorised payment transaction, the Client shall bear the full liability for any damage resulting from a use of a lost or stolen Payment Instrument, or misuse thereof, incurred before the Client has notified the Bank of the loss, theft, misuse<sup>3</sup> or unauthorised use of the Payment Instrument in accordance with the Contract, unless specified otherwise below. Further, the Client shall bear the full damage caused by an unauthorised payment transaction resulting from his/her fraudulent activities or a breach of the duty to use the Payment Instrument as required by the Contract.

<sup>2</sup> In particular Act No. 253/2008 Coll., On Selected Measures against Legitimation of Proceeds of Crime and Financing of Terrorism, as amended.

<sup>3</sup> The term "misuse" of a Payment Instrument, password, PIN etc. shall also apply to cases where such an Instrument is used without Client's authorisation.

# NOTICE ON THE PAYMENT SYSTEM

- 2.3 Unauthorised and erroneously executed payment transactions in Qualified Clients' Payment Accounts.** The provisions of the following Articles 2.4 to 2.16 hereof shall apply to the Qualified Clients and payment transactions associated with their Payment Accounts and in case of any discrepancy shall prevail over the provisions of Articles 2.1 and 2.2 hereof and Articles 29.1 and 29.2 of the General Conditions.
- 2.4** The Qualified Client shall bear any damage resulting from any unauthorised payment transactions due to a use of a lost or stolen Payment Instrument, or misuse thereof (if he/she has failed to protect his/her personalised security tools, e.g., PIN or OPK Card, as required by the Contract), up to the total amount of EUR 50 (the amount shall be converted using the Czech National Bank rate as at the date the Bank shall be notified of the loss, theft or unauthorised use of the Payment Instrument). The Qualified Client shall bear the full loss resulting from any unauthorised payment transactions in case that the loss of the Payment Instrument has been caused by his/her fraudulent activities or by an intentional or (i) flagrantly neglectful failure to use the Payment Instrument in accordance with the relevant Contract, or (ii) if he/she has failed to meet his/her duty to notify the Bank of the loss, theft, misuse or unauthorised use of the Payment Instrument without any unnecessary delay after ascertaining such fact. The Qualified Client shall not bear the loss resulting from unauthorised payment transactions, if such loss is incurred after the Qualified Client has notified the Bank of the loss, theft, misuse or unauthorised use of the Payment Instrument, or if the Bank has failed to ensure that he/she can report the loss, theft, misuse or unauthorised use of the Payment Instrument whenever necessary, except for cases where the Qualified Client has acted fraudulently.
- 2.5** If the Qualified Client is a payer, the Bank shall be liable to the Qualified Client for any erroneously executed payment transaction, unless the Bank clearly demonstrates that an amount of the erroneously executed payment transaction has been duly and timely credited to an account of a payee's Payment Services provider. If the Qualified Client is a payee, the Bank shall only be liable to the Qualified Client for an erroneously executed payment transaction if a payer's Payment Services provider is not liable to the payer for such a payment transaction.
- 2.6** If the Bank, being a payer's Payment Services provider, is liable to the Qualified Client, who is a payer at the same time, for an erroneously executed payment transaction and the Client informs the Bank that he/she does not insist that the payment transaction be executed, the Bank shall be obliged to restore forthwith the balance in the Client's relevant Account to the original amount (as though the erroneous payment transaction were not executed) or, if the balance in the relevant Account cannot be restored, make an amount of such an erroneous payment transaction, plus the remuneration already paid and lost interest, available to the Client. This provision shall not be applied in case that the Bank clearly demonstrates that the amount in question was credited to an account of a payee's Payment Services provider before the Qualified Client has informed the Bank that he/she would not insist that the Order be executed.
- 2.7** If the Bank, being a payer's Payment Services provider, is liable to the Qualified Client, who is a payer at the same time, for an erroneously executed payment transaction and the Client fails to inform the Bank that he/she does not insist that the payment transaction be executed, the Bank shall be obliged to ensure as soon as possible that the amount of the erroneously executed payment transaction be credited to an account of a payee's Payment Services provider.
- 2.8** If the Order for a payment transaction related to the Qualified Client's Payment Account is forwarded to the Bank by the Payment Initiation Service provider and the transaction is executed contrary to the Order submitted by the Qualified Client to the Payment Initiation Service provider, such a transaction shall be considered an erroneously executed payment transaction, even if executed in accordance with the Order accepted within the meaning of Payments Act. In that case, the Bank shall have the obligations to the Client expressly set out in Articles 2.6 and 2.7 hereof.
- 2.9** If the Bank, being a payee's Payment Services provider, is liable to the Qualified Client, who is a payee at the same time, for an erroneously executed payment transaction, the Bank shall be obliged to restore forthwith the balance in the Client's relevant Account to the original amount (as though the erroneous payment transaction were not executed) or, if the balance in the relevant Account cannot be restored, make an amount of such an erroneous payment transaction available to the Client.
- 2.10** The provisions of Articles 2.5 to 2.8 hereof shall not apply to payment transactions resulting from a payment order submitted by a payee or by a payer through a payee, in case that the Bank, being the payee's Payment Services provider, has failed to perform its duty and has not forwarded the Order to the payer's Payment Services provider duly and timely. In case of a Qualified Client who is the payee at the same time, the Bank shall demonstrate upon Client's request that it has performed the aforesaid duty.
- 2.11** If a payment transaction instigated by the Qualified Client has been executed incorrectly or erroneously, the Bank shall be obliged to make reasonably diligent effort to trace back such a payment transaction and inform the Client of the result of the investigation.
- 2.12 Refunding an authorised payment transaction.** In case of an authorised payment transaction resulting from a payment order submitted by a payee or by a payer through a payee, the Qualified Client shall be obliged to demand, within 8 weeks from the moment the funds have been debited from his/her Account, that the amount of the transaction be refunded to the Account on the condition that (i) a specific amount of the payment transaction has not been detailed at the moment of its authorisation and, at the same time, (ii) the amount of the payment transaction is in excess of an amount the Qualified Client might have reasonably expected with regard to all circumstances. However, the Qualified Client shall not be entitled to demand that the amount of the authorised payment transaction be refunded if the Client has given his/her consent regarding the payment transaction directly to the Bank and the Bank or a payee have provided the Client with the information of the specific amount of the payment transaction (or have made such information available to him/her) at least 4 weeks before the Moment of Effectiveness of the aforesaid Order.
- 2.13** For the purpose of the foregoing Article 2.12 it is understood that the term "amount of the payment transaction is in excess of an amount the Qualified Client might have reasonably expected with regard to all circumstances" shall not include in its meaning an amount that is lower than or equal to the upper limit set forth in the Contract for such payment transactions. In addition to this, the Client cannot make a complaint over unexpected fluctuations in Exchange Rates.
- 2.14** The Qualified Client shall be obliged to provide to the Bank, along with the request for the refund as per Article 2.12 hereof, information and documents substantiating that the prerequisites for the refund of the amount of the payment transaction set forth in Article 2.12 have been met, including the indication of the moment at which he/she has learnt about the specific amount of such a payment transaction. Until the Client performs the aforesaid obligation, the ten-day period required by the law for the refunding by the Bank of the amount of the payment transaction shall not commence.
- 2.15** The provisions of Articles 2.6 to 2.14 hereof shall not apply to Transactions outside EEA.
- 2.16 Joint provisions on Bank's liability with respect to executing payment transactions.** The Bank shall be obliged to demonstrate to the Qualified Client that it has followed the procedure that makes it possible to verify that an Order has been submitted, the relevant payment transaction has been authorised, correctly documented and entered in the books, and it has not been affected by technical problems or other flaws, in the event that the Qualified Client claims that he/she has not authorised such a payment transaction or that the payment transaction has not been executed correctly.
- 2.17** The fact that the Bank shall be held liable for an unauthorised or erroneously executed payment transaction shall not exempt the Bank from liability for any damage or unjust enrichment resulting from such an unauthorised or erroneously executed payment transaction. However, any compensation provided by the Bank shall be considered part of a potential compensation for any damage or unjust enrichment.
- 2.18** The Bank shall neither be liable to the Client for an unauthorised or erroneously executed payment transaction nor for a possible failure to meet required deadlines for the execution of a payment transaction, if it has been prevented from performing its obligation by unusual or unforeseeable circumstances beyond Bank's control, whose consequences the Bank could not avert.

# NOTICE ON THE PAYMENT SYSTEM

## B) SYSTEM OF CASH PAYMENTS

### Article 3. System of Cash Payments

- 3.1 Cash payment services.** The Bank offers its Clients the following services under the system of cash payments:
- The Bank shall make it possible to deposit the cash to the Client's Account, or to an account kept with the Bank for a third party, or to an account kept in another bank (CZK deposits only) in the following manner:
    - By an oral instruction;
    - By a cash receipt;
    - By another cash-counter document specified by the Bank.The Bank shall accept cash deposits in a foreign currency made to the credit of the Client's Account or an account kept with the Bank for a third party only in currencies and in nominal values indicated by the Bank.
  - The Bank shall make it possible to withdraw the cash from the Client's Account in the following manner:
    - By an oral instruction verified by a signature matching with the Specimen Signature attached to the transaction receipt;
    - By a written Order in a form of a withdrawal slip (the withdrawal slip cannot be issued for the benefit of a third party);
    - By the Bank's private cheque
    - By another cash-counter document specified by the Bank.The Bank shall pay out the cash only down to the amount of the lowest valid nominal value of legal tender.  
If the cash is paid out in CZK or a foreign currency or converted from CZK and a specific combination of banknotes and coins required by the Client is not available, the Bank shall be entitled to pay out cash in other nominal values of banknotes and coins than those required by the Client.  
If the cash is to be paid out in a foreign currency and the Bank cannot pay out a required amount in full or in part due to lack of legal tender with a required nominal value, or does not deal in such a legal tender, the Bank shall be entitled to pay out cash up/down to the nominal values available, or pay it out in another foreign currency or in CZK, unless agreed otherwise with the Client.  
If a cash deposit is deleted manually immediately after it has been completed, the cash can be repaid in banknotes whose nominal value is different from that of the deposited ones.
  - Money changing services provided in currencies and nominal values specified by the Bank.
  - Exchange of CZK banknotes and coins for those of different face value.
  - The cash withdrawal and deposit transactions shall also include cash withdrawals and deposits made through an automatic teller machine (ATM)/cash point or using a sealed envelope. Limits of such withdrawals shall be set forth in the relevant Contract.
- 3.2 Restrictions imposed on cash payments.** The Client may make cash payments at Bank's points of sale. However, the execution of certain cash transactions may be limited or excluded at some points of sale.
- 3.3** The Bank shall not accept cash for payments to be made abroad or a deposit of cash in a foreign currency to the credit of an account kept with another domestic bank.
- 3.4 Preferential attendance.** Certain cash payment services, e.g. handing over a sealed envelope containing cash, may be provided preferentially at a "Preferential Attendance" counter, after a cashier has completed a previous Client's transaction, before attending other Clients.
- 3.5 Required particulars of a cash payment Order.** The Bank shall only execute cash payments based on oral or written Orders submitted by the Client, unless agreed otherwise with the Client. In case of a written order, the Client shall be obliged to fill in the handed-over form – in addition to the particulars referred to under Article 1.7 hereof – any and all required information in a submitted blank so that he/she can be identified and checked in accordance with applicable law<sup>4</sup>. The Bank shall be entitled to ask the Client to sign the Order according to his/her Specimen Signature even in case of depositing any funds. The Client shall be obliged to confirm the correctness of the filled-in data by his/her signature on the payment transaction slip.

### Article 4. Deadlines for Notifying Cash Withdrawal

- 4.1** Cash withdrawal of any amount in excess of CZK 100,000 or its equivalent in a foreign currency must be announced by the Client to the payout point of sale of the Bank or to the Client's Point of Sale:
- At least two Business Days before the required withdrawal date if cash is to be withdrawn in CZK; however, if the announcement is made on such a Business Day, it should not be made later than at the time which the cash should be withdrawn at the cash withdrawal date, or
  - At least five Business Days before the required withdrawal date if cash is to be withdrawn in a foreign currency.
- If the above deadlines are not adhered to, the Bank shall be entitled not to pay out the funds before the lapse of a given period or reject the withdrawal Order, unless agreed upon otherwise with the Client. The Bank shall be entitled to pay out the funds to the Client even if the above deadlines are not adhered to, provided that technical and operational circumstances enable such withdrawal.
- The same deadlines shall also apply if a specific combination of banknotes and coins up to the aggregate amount CZK 100 000 (inclusive) or an equivalent in a foreign currency is requested. In case that the Bank does not have available such a combination of face values, it shall be entitled to pay out the amount in question, or its equivalent in a foreign currency, in a different combination than that requested by the Client.
- 4.2** If an amount to be withdrawn exceeds the limit set forth under Article 4.1 hereof, the Client shall notify the Bank about such withdrawal in writing (e.g., by handing over a separate cash withdrawal slip) or over the telephone following an agreement with the Client's Point of Sale or based on a request submitted via direct banking services.
- 4.3** Further rules for cash withdrawals of any amount in excess of CZK 500,000 (inclusive) or an equivalent in a foreign currency are set forth under Article 27 hereof.

### Article 5. Deadlines Applicable under the System of Domestic Cash Payments

- 5.1** The Moment of Effectiveness of an Order concerning a cash deposit made into an Account kept with the Bank, or a withdrawal of cash from an Account kept with the Bank shall occur immediately after the cash is deposited or withdrawn, except for cash deposits/withdrawals made at the Bank's points of sale on a day that is not a Business Day or made through an ATM to a foreign exchange Account on a Business Day

<sup>4</sup> In particular Act No. 253/2008 Coll., On Selected Measures against Legitimation of Proceeds of Crime and Financing of Terrorism, as amended.

# NOTICE ON THE PAYMENT SYSTEM

between 20:00 hrs and 24:00 hrs (12:00 hrs midnight), in which case the Moment of Effectiveness of the Order shall occur on the next succeeding Business Day following the date of the deposit/withdrawal. However, the Moment of Effectiveness as per the foregoing sentence shall only occur if all prerequisites are met as set forth by the Contract and by law for the execution of the Order, including availability of liquid funds in the Account (in case of cash withdrawal). Failing this, the Bank shall reject such an Order.

- 5.2 Deadlines for crediting the funds.** Cash deposits in CZK to the credit of the Client's Account or an account kept with the Bank for a third party shall be credited by the Bank to the respective payee's account immediately after the Moment of Effectiveness of the Order. The Bank shall debit withdrawn funds (cash) from the Client's respective Account immediately after the Moment of Effectiveness of the Order.
- 5.3 Cash deposit made into an account kept with another bank.** The Moment of Effectiveness of an Order concerning a cash deposit made into an account kept with another bank shall occur at the date of the delivery of the Order to the Bank, provided that all terms set forth by the Contract and by law have been met so that the Order can be executed. The Bank shall execute such an Order before the end of the next Business Day succeeding after the day on which the Moment of Effectiveness of the Order shall have occurred. However, if the Order has been delivered to the Bank before 13:00 hrs of the given day as an Order for a super express deposit do another bank, the Bank shall execute such an Order on the day on which the Moment of Effectiveness of the Order occurs. The Bank shall reject an Order for a super express deposit if the Bank system is not operating in an on-line mode or if the Order has been delivered to the Bank after 13:00 hrs.

## Article 6. Short Way

- 6.1** The Short Way is a Bank's service designed only for Clients – natural persons (business) and for legal persons who have a current Account kept with the Bank in CZK or in a foreign currency.
- 6.2** The Short Way Service makes it possible for Clients to withdraw cash (in CZK or a foreign currency), under mutually agreed conditions, at other Points of Sale of the Bank than that at which the relevant Account is kept.
- 6.3** The Short Way Service shall be arranged in writing by an amendment to the Contract for opening and maintaining a current Account. The Client shall be entitled to prearrange limits of Short Way cash withdrawals.

## C) SYSTEM OF CASHLESS PAYMENTS

### Article 7. System of Cashless Payments

- 7.1 Cashless payment services.** The Bank shall execute the following Orders under the system of cashless payments: one-off payment Order (single or multiple), one-off collection Order (single or multiple), standing payment Order, standing Order relating to an automatic transfer, a foreign payment Order/Payment Order abroad (one-off or standing), SEPA Payment Order, SEPA Direct Debit Collection Order, Order to issue (draw) a bank cheque, and Order to the withdrawal / non-payment / return of a bank cheque.
- 7.2 System of domestic cashless payments.** By domestic Orders, the Bank transfers funds to the debit and to other domestic banks through the Clearing Centre of the Czech National Bank. In case of a payment to another domestic bank made in a foreign currency, its amount shall always be converted into and settled in CZK. If the Client wishes to transfer an amount in a foreign currency to another domestic bank, he/she shall have to submit to the Bank a payment Order abroad.
- 7.3 Cashless payments made abroad.** Foreign payments (payments abroad) are transfers of funds from a country to another country or transfers of funds in a foreign currency between domestic banks.

### Article 8. Payment Order and Collection Order

- 8.1** Clients of the Bank can submit Payment Orders and Collection Orders under the system of domestic cashless payments. By a Payment Order, the Client shall transfer funds from his/her Account to the credit of the payee's account. A Collection Order is understood as:
- The Client's Order to the Bank to transfer funds from a payer's account to the credit of the Client's Account, or
  - A payment order, submitted by a payee and delivered to the Bank from the Clearing Centre of the Czech National Bank, for debiting the funds from the Client's Account on condition that the Client has permitted the direct debit collection to the credit of the payee.
- If the preconditions of the execution of the Collection Order are not met at the due date of the Collection Order, the execution of the Collection Order shall be repeatedly attempted on 4 successive Business Days under the multiple-round processing, until the preconditions are met. If the preconditions are not met by the aforesaid deadline, this Collection Order shall be rejected on the next succeeding Business Day.
- The Bank shall be entitled to indicate banks in respect of which it shall execute direct debit collections under the domestic payment system.
- The Bank shall be entitled to make the acceptance of Collection Orders dependent on the entering with the Client – payee into a Contract for the provision of such a service, and the execution of Client's each order dependent on the fulfilment of the prerequisites set forth in the Contract.

### Article 9. Moment of Effectiveness of Standard Payment Orders (Domestic)

- 9.1** Orders with an aggregate sum in excess of CZK 500,000 (inclusive) or an equivalent in a foreign currency must be submitted to the Bank in the manner set forth under Article 27 hereof.
- 9.2 Order handed over to the staff of the Bank.** The Moment of Effectiveness of the Order handed over directly to the staff of the Bank's point of sale shall fall on:
- The Business Day set out by the Client as the required date of payment (due date), if the Order states a due date that has not yet occurred;
  - The Business Day on which the Bank has received the Order, if the Order has been delivered to the Bank by 15:00 hrs of the given day and no required date of payment (due date) is stated in the Order or such a date has already occurred;
  - The next succeeding Business Day, if the Order has been delivered to the Bank after 15:00 hrs of the given day and no required date of payment (due date) is stated in the Order or such a date has already occurred, unless agreed otherwise between the Client and the Bank;
  - The Business Day following the required date of payment (due date) set out in the Order and falling on other day than a Business Day, if the Order has been delivered to the Bank on the last Business Day before the required date of payment (due date);
  - The Business Day preceding the required date of payment (due date) set out in the Order and falling on other day than a Business Day, if the order was delivered to the Bank at least two Business Days before the required date of payment (due date);
- However, this all provided that any and all prerequisites are met as set forth by the Contract and by law for the execution of the Order, including availability of liquid funds in the Account. Failing this, the Bank shall reject such an Order or, if so agreed with the Client, the Moment of Effectiveness of the Order shall not occur before the day on which all the prerequisites are met so that the Order can be executed.

# NOTICE ON THE PAYMENT SYSTEM

- 9.3 Order delivered through a self-service box.** The Moment of Effectiveness of an Order delivered through a self-service box or by post shall fall on:
- The Business Day following the date of delivery to the Bank of the Order, if no required date of payment (due date) is stated in the Order, or such a date falls on the date of delivery or precedes the date of delivery;
  - The Business Day identified by the Client as the required date of payment (due date), if the required date of payment (due date) is stated in the Order, it is different from the date of delivery to the Bank of the Order but does not precede it, and falls on a Business Day;
  - The Business Day following the required date of payment (due date) set out in the Order, which does not fall on a Business Day, if the Order has been delivered to the Bank on the last Business Day before the required date of payment (due date); or
  - The Business Day preceding the required date of payment (due date) set out in the Order, which does not fall on a Business Day, if the Order has been delivered to the Bank two Business Days before the required date of payment (due date) at the latest;
- However, this all provided that any and all prerequisites are met as set forth by the Contract and by law for the execution of the Order, including availability of liquid funds in the Account. Failing this, (a) the Bank shall execute the Order on the next succeeding business day, provided that any and all prerequisites for the execution of the Order are met; failing this, the Bank shall reject such an Order, unless agreed otherwise with the Client (in case of an Order for a payment between two current Accounts denominated in CZK); or (b) the Bank shall either reject the Order or, if so agreed with the Client, the Moment of Effectiveness of the Order shall not occur before the day on which all the prerequisites are met so that the Order can be executed (in all other cases).
- 9.4** A Payment Order submitted through a self-service box or sent by post must be delivered to the Bank at least one Business Day before the required date of payment (due date).
- 9.5** Payment Orders (both single and multiple ones) concerning current Accounts, up to the amount of CZK 499,999.99 or an equivalent in a foreign currency, can be submitted through a self-service box. Payment Orders by which payments are made to collective investment funds' accounts, the purchase of which is provided by the Bank to the Clients, cannot be submitted through a self-service box.
- 9.6 Currency conversion.** When converting a foreign currency, the Bank shall use the Exchange Rate effective at the Moment of Effectiveness of the Order, except for the cases referred to under Article 9.2(ii) hereof, whereby the Bank shall use the Exchange Rate effective at the time the Order has been delivered to the Bank, and those referred to under Article 9.2(iii) hereof, whereby, in case that the Moment of Effectiveness of the Order falls on the date of the delivery thereof, the Bank shall use the Exchange Rate effective at the time of the delivery of the Order.

## Article 10. Moment of Effectiveness of Orders and Terms and conditions of "Super Express" Payments Made in CZK to Other Domestic Banks

- 10.1 Submitting an Order to the Bank.** A "Super Express" Payment Order must be handed over by the Client directly to the staff of the Bank's point of sale.
- 10.2** If a "Super Express" Order is to be executed, the following conditions must be met:
- The Client has submitted to the Bank an appropriate "super express" Order at the latest by 13:00 hrs of the required date of payment (due date), which must fall on a Business Day; and
  - The Client has clearly marked the payment in the given Order using the words "SUPER EXPRES".
- 10.3 Rejection of an Order.** In case that a "Super Express" Payment Order fails to meet the above terms and conditions or the Bank's banking system is not working in an on-line mode, the Bank shall be entitled to reject the Express Payment Order.
- 10.4 Moment of Effectiveness of an Order.** If a "Super Express" Payment Order is submitted, the Moment of Effectiveness of such an Order shall fall on the required date of payment (due date) set out in the Order, provided that any and all prerequisites are met as set forth by the Contract and by law for the execution of the Order, including availability of liquid funds in the Account. Failing this, the Bank shall reject the Order.

## Article 11. Moment of Effectiveness and Terms and Conditions of Collection Orders (Domestic)

- 11.1 Moment of Effectiveness of an Order.** The Moment of Effectiveness of a Collection Order submitted to the Bank by the Client – payee, whereby the collection is to be made between Accounts kept with the Bank, shall occur:
- At the date of the required payment (due date) if the Collection Order has been delivered to the Bank no later than one Business Day before the required date of payment (due date); or otherwise
  - No later than on the Business Day following the delivery of the Order to the Bank, if no required date of payment (due date) is stated in the Order or such a date has already occurred.
- 11.2** The Moment of Effectiveness of a Collection Order submitted by a client of another bank and forwarded from the CNB Clearing Centre to the Bank as the Client's provider shall occur:
- At the required date of payment (due date); or
  - On the Business Day on which the Collection Order shall be forwarded from the CNB Clearing Centre to the Bank, if no required date of payment (due date) is stated in the Order or such a date has already occurred.
- 11.3** If the required date of payment (due date) falls on other day than a Business Day, the Moment of Effectiveness shall fall on the Business Day preceding the required date of payment (due date).
- 11.4** However, the Moment of Effectiveness as per Articles 11.1 to 11.2 hereof shall occur only if all prerequisites for the execution of the Collection Order, as set forth by the Contract and by law, are met within the given deadlines, including availability of liquid funds in the Account of the Client – payer and the Client has permitted the direct debit collection. Failing this, the Bank shall reject such a Collection Order or, if so agreed with the Client, the Moment of Effectiveness of the Order shall not occur before the day on which all the prerequisites are met so that the Order can be executed.
- 11.5 Terms and conditions of a collection.** The Bank shall check whether funds may be collected from the Account of the Client – payer and agreed-upon terms and conditions for the direct debit mandate have been met so that funds can be collected from the given Account and credited to a payee's account based on a direct debit mandate submitted by the Client – payer. The Bank shall not verify whether the Client – payee is entitled to collect funds from a payer's account kept with another bank. The verification shall be made by the payer's bank.
- 11.6** If a required date of payment (due date) agreed upon between a payer at another bank and the Client – payee and stated in a Collection Order should be kept, the Collection Order must be delivered to the Bank two Business Days before the required date of payment (due date) at the latest. The Bank shall forward the Collection Order to the CNB Clearing Centre for the payer's bank on the next succeeding Business Day following the date of delivery of the Collection Order to the Bank, provided that such an Order meets any and all terms, conditions and prerequisites set forth for a Collection Order in this Notice even in case that no required date of payment (due date) is stated in the Collection Order or such a date has already occurred.
- 11.7** Collection Orders (both single and multiple ones) can be submitted through a self-service box.

# NOTICE ON THE PAYMENT SYSTEM

## Article 12. Deadlines for Crediting the Funds

- 12.1 Transfers made within the Bank.** If the Client is a payee of funds transferred based on a Payment/Collection Order within the Bank, the Bank shall credit these funds to the payee's Account before the end of the day on which the Moment of Effectiveness of the Order has fallen.
- 12.2 Funds transferred from another bank located in the Czech Republic.** If the Client of the Bank is a payee of funds transferred from another domestic bank, the Bank shall credit such funds to the Client's Account as soon as they are credited to the Bank's account at the CNB Clearing Centre. In the case of the incoming instant payments credited to CZK Payment Accounts, except for credit card accounts, the Bank shall credit the funds to the Client's Account no later than on the next succeeding Business Day after the instant payment has been approved by the XAMOS CNB system.
- 12.3 Payments made to another bank located in the Czech Republic.** In case of an Order for a payment to be made from the Account to another account kept with another domestic bank, the Bank shall ensure that the funds shall be credited to an account of the payee's bank at the CNB Clearing Centre before the end of the next succeeding Business Day following the day on which the Moment of Effectiveness of the Order has occurred. However, in case of "Super Express" payments executed on the basis of Orders that were submitted directly to an employee of the Bank's point of sale and "Express" payments executed via the direct banking services, the Bank shall ensure that the funds shall be credited to an account of the payee's bank at the CNB Clearing Centre on the same day on which the Moment of Effectiveness of the Order has occurred, and shall be considered as priority payments.
- 12.4 Executed collections.** In case of inter-bank payments, the Bank shall ensure that the funds debited from the Account of the Client – payer shall be credited to an account of the payee's bank at the CNB Clearing Centre before the end of the next succeeding Business Day following the day on which the Moment of Effectiveness of such a Collection Order has occurred.

## Article 13. Settlement Adjustment (Domestic)

- 13.1** If any amount of a payment transaction made in CZK has not been settled or if a relevant bank code, account number or other particulars stated in the Client's Order have not been used properly and, consequently, the payment transaction has not been executed correctly, every Czech bank or savings/lending cooperative that keeps an account to which the funds were erroneously credited shall be obliged, upon Bank's request, to deduct the erroneously settled amount from the account and surrender it to the Bank so that the erroneously executed payment transaction can be done right in accordance with the Payments Act. The Bank shall be obliged to do the same if any amount is erroneously credited to the Client's Account. In that case, the Bank shall also be entitled to restore the balance in the relevant Client's Account to the original amount (as though the payment transaction were not executed).

## Article 14. Special Services Provided under the Domestic Payment System

- 14.1** Special services under the domestic payment system shall be the Irrevocable Payment in CZK, Standing Payment Order, Automatic Transfer Standing Order, Direct Debit mandate, SIPO Payment Order (Central collection of household payments) and Instant Payment.

## Article 15. Irrevocable Payment Made in CZK

- 15.1** An irrevocable payment in CZK (hereinafter the "Irrevocable Payment") shall be a payment processed in the presence of the Client, whereby the Moment of Effectiveness of the Order occurs immediately after having been submitted to the Bank, provided that any and all preconditions for the execution of the Order set forth by the Contract and by applicable law are met immediately after the submission, including availability of liquid funds in the Account. Failing this, the Bank shall reject the Order. The Client shall submit the Order, clearly indicated as "Irrevocable Payment", by 16:00 hrs on a Business Day, unless the Client and the Bank agree otherwise. The Bank shall issue the Client with a certificate confirming that the funds have been deducted from the Account in accordance with the Irrevocable Payment Order.

## Article 16. Standing Payment Orders / Automatic Transfer Standing Orders

- 16.1** A standing payment Order shall be executed based on a Client's instruction for repeated payments of a set amount of money to be made to the same payee at regular intervals.
- 16.2 Kinds of automatic transfers.** A standing Order relating to an automatic transfer (automatic transfer standing order) shall be used for transferring variable amounts of money for the following purposes:
- Transferring a surplus balance without a fixed date specified;
  - Transferring a surplus balance at a fixed date;
  - Maintaining a minimum balance;
  - Prevention of overdraft.
- 16.3 Moment of Effectiveness of a standing payment Order.** The Moment of Effectiveness of each payment made pursuant to a standing payment Order and/or a standing Order relating to an automatic transfer with a fixed date of payment shall fall on the day set out by the Client as the required date of payment (due date). However, if a required date of any payment in any month is not a Business day, the Moment of Effectiveness shall fall on:
- The previous Business Day, if the funds are transferred between two current Accounts; or
  - The previous Business Day, with the original date of payment (due date), if at least one of the Accounts is not a current Account; or
  - The first calendar day of the given month, if a due date of any payment falls on first days in the month that are not Business Days;
- However, this all provided that any and all prerequisites are met as set forth by the Contract and by law for a relevant payment, including availability of liquid funds in the Account. Failing this, the Bank shall reject to make the payment.
- When converting a foreign currency, the Bank shall use the Exchange Rate effective at the Moment of Effectiveness of the Order.
- 16.4** The Moment of Effectiveness of each payment made pursuant to all types of standing Orders relating to automatic transfers and not referred to in Article 16.3 hereof shall fall on the day on which all prerequisites are met as set forth by the Contract and by law for a relevant payment, including availability of liquid funds in the Account.
- 16.5** The Bank may execute a standing payment Order or a standing Order relating to an automatic transfer even in case that a signature of the Client or Authorised Individual is authenticated in another manner satisfactory to the Bank than by its verifying against a Specimen Signature.
- 16.6 Deadline for submitting to the Bank a standing payment Order.** A standing payment Order and/or standing Order relating to an automatic transfer must be delivered to the Bank at least two Business Days before the required date (due date) of the first payment. The same deadline must be adhered to if an Order is to be changed or cancelled. The Bank shall be entitled to reject a standing payment Order and/or standing Order relating to an automatic transfer delivered to the Bank after the aforesaid deadline.

# NOTICE ON THE PAYMENT SYSTEM

- 16.7 **Submitting a standing payment Order to the Bank.** A standing payment Order may only be submitted through a self-service box unless its amount is in excess of CZK 100,000.00 or an equivalent in a foreign currency for a single Order.
- 16.8 A standing payment Order may be delivered to the Bank through the mediation of a payee (recipient/beneficiary of payments transferred on the basis of the standing payment Order) provided that such a manner of delivery has been agreed between the Bank and the payee in advance.
- 16.9 The Bank shall cancel a standing payment Order and automatic transfer if the payee's account kept with the Bank has been cancelled.
- 16.10 **Cancellation of a standing payment Order by the Bank.** The Bank shall be entitled to cancel a standing payment Order if no new standing payment Order is processed by the Bank within 18 months from the processing of the last previous standing payment Order.

## Article 17. Direct Debit Mandate and SIPO Direct Debit Mandate (Central Collection of Household Payments)

- 17.1 **Required particulars of a direct debit mandate.** A direct debit mandate (i.e., an order authorising a collection from an Account) must contain a Unique Identifier of the entity entitled to collect (draw) cashless funds from the Client's Account. At the same time, the Client must set a limit for a single payment and specify a minimum period of time (number of days) between two successive collections, which can be stated as the "frequency" in paper-based forms. Failing this, the Bank shall reject the direct debit mandate. The limit must be pre-set as close as possible to an amount, which the Client may reasonably expect as a maximum amount of a single collection with regard to all contingent circumstances. The Client shall be entitled to alter the limit at any point of sale or using electronic banking or in another manner agreed with the Bank, change a limit for a single collection and specify a minimum period of time (number of days) between two successive collections. If a direct debit mandate authorises a collection in a foreign currency, the payee payer's accounts must be denominated in the same foreign currency and kept with the Bank.
- 17.2 The Bank may execute a direct debit mandate even in case that a signature of the Client or Authorised Individual is authenticated in another manner satisfactory to the Bank than by its verifying against a Specimen Signature.
- 17.3 A direct debit mandate is not an Order, i.e., is not a payment order as envisaged in the Payments Act<sup>5</sup>.
- 17.4 **Deadline for submitting to the Bank a direct debit mandate.** A direct debit mandate must be delivered to the Bank at least two Business Days before the required date (due date) of the first collection. The same deadline must be adhered to if a direct debit mandate is to be changed or cancelled. The Bank shall be entitled to reject a direct debit mandate delivered to the Bank after the aforesaid deadline.
- 17.5 **Submitting a direct debit mandate to the Bank.** A direct debit mandate may be submitted through a self-service box only if its pre-set limit is not in excess of CZK 100,000 (inclusive) or an equivalent in a foreign currency.
- 17.6 **Authorisation of a collection.** If the Client has permitted the collection (direct debit) from the Client's Account kept with the Bank to the credit of another entity, it may be construed as a direct debit mandate. A direct debit mandate may be delivered to the Bank through the mediation of a payee (recipient/beneficiary of the collected funds) to whom the Client has permitted the collection (direct debit) from the Client's Account, provided that such a manner of delivery has been agreed between the Bank and the payee in advance.
- 17.7 **Cancellation of a direct debit mandate by the Bank.** The Bank shall be entitled to cancel a direct debit mandate if no new collection (direct debit) occurs within 18 months from the last previous collection (direct debit).
- 17.8 Any collection of funds must always be authorised by the payer, either by submitting a direct debit mandate or through the mediation of a payee (recipient/beneficiary of payments).
- 17.9 **SIPO direct debit mandate.** The SIPO direct debit mandate must contain a limit up to which the SIPO payments may be collected from the given Account. If no limit is stated, the Bank shall reject such a SIPO direct debit mandate. The limit must be preset as close as possible to an amount, which the Client may reasonably expect as a maximum amount of a single SIPO collection with regard to all contingent circumstances; however, it must not be in excess of CZK 99,998.00. The information on the amount of the SIPO collection, broken down according to separate items, shall be sent by Česká pošta, s.p. at the Client's address. The Bank makes SIPO collections twice per a calendar month. Only those collections that have not been made at the earlier date shall be made at the later one.
- 17.10 The SIPO direct debit mandate is not an Order, i.e., is not a payment order as envisaged in the Payments Act.
- 17.11 To be effective as from the following month, the SIPO direct debit mandate must be made out on a Bank's prescribed form and submitted to the Bank within a deadline set forth in the form. If a direct debit mandate is delivered to the Bank after the aforesaid deadline, relevant SIPO collections will be made starting from the next month but one. The same deadline must be adhered to if a SIPO collection limit is to be changed or cancelled.

## Article 18. Instant Payments

- 18.1 Instant Payments between banks are processed by the XAMOS CNB system, which decides whether or not an Instant Payment can be approved. Upon the approval, the Instant Payment becomes irrevocable and is executed within seconds, i.e., the payee's (creditor's) bank makes the full amount of the Instant Payment immediately available to the payee (creditor) for further transactions, while the payer's (debtor's) bank notifies the payer (debtor) that the transaction has been forwarded to the payee's (creditor's) bank.
- 18.2 An Instant Payment between banks must not be in excess of CZK 400,000. This limit can be adjusted by the banks upon their mutual agreement.
- 18.3 The Instant Payments are processed on a 24/7 basis, both on Business Days and on other days, except on the days when the scheduled maintenance of a payer's (debtor's) bank system, a payee's (creditor's) bank system, or the XAMOS CNB system is performed. The Bank shall inform the Client of the planned maintenance of the Bank's systems on its Internet pages or via internet banking. The Bank shall not be liable to the Client for any damage caused by the non-functioning of the Immediate Payments due to a planned outage on the part of the Bank, XAMOS CNB and/or the bank that has accessed to the Immediate Payment scheme for reasons beyond the control of the Bank or its suppliers, including any damage caused by such cases. If the non-functioning of the Immediate Payments for reasons attributable to the Bank is discovered outside the Bank's operating hours, the Bank shall make every effort to put things right without any unnecessary delay.

## Article 19. System of Foreign Cashless Payments

- 19.1 **Basic currencies.** The Bank shall execute foreign payments (payments abroad) in the following currencies: AUD, BGN, CAD, CNY, CZK, CHF, DKK, EUR, GBP, HRK, HUF, JPY, NOK, PLN, RON, RUB, SEK, TRY, USD.
- 19.2 **Other currencies.** If the Client asks the Bank to make a payment in any currency not listed under Article 19.1, the Bank shall agree to make such a payment by accepting the Order. The Bank shall further send to the Client the below information and set the below terms and

<sup>5</sup> Act No. 370/2017 Coll., the Payments Act, as amended.



# NOTICE ON THE PAYMENT SYSTEM

conditions of the execution of the payment.

The Moment of Effectiveness of the Order shall fall on:

- a) The Business Day set out by the Client as the required date of payment (due date), if the Order states a due date, which has not yet occurred and which falls on a Business Day, provided that the Order has been delivered to the Bank before the required date of payment (due date);
- b) The Business Day on which the Bank has received the Order, if the Order has been delivered to the Bank by 13:00 hrs of the given day do 13:00 hrs and no required date of payment (due date) is stated in the Order or such a date has already occurred;
- c) The Business Day following the date of delivery of the Order to the Bank, if the Order has been delivered to the Bank after 13:00 hrs of the given day and no required date of payment (due date) is stated in the Order or such a date has already occurred; or
- d) The Business Day following the required date of payment (due date) stated in the Order, if the Client set out a future date of payment (due date) that does not fall on a Business day;

However, this all provided that any and all prerequisites are met as set forth by the Contract and by law for the execution of the Order, including availability of liquid funds in the Account. Failing this, the Bank shall reject such an Order or, if so agreed with the Client, the Moment of Effectiveness of the Order shall not occur before the day on which all the prerequisites are met so that the Order can be executed.

The Bank shall convert any currencies not listed in the Notice using a EUR conversion coefficient and an Exchange Rate effective at the Moment of Effectiveness of the Order. The usage by the Bank of the EUR conversion coefficient and the Exchange Rate effective at the Moment of Effectiveness of the Order in accordance with a relevant provision of the General Conditions governing the purchase and sale of foreign exchange.

The Exchange Rates and conversion coefficients are published and communicated to the Client on a given Business Day, before the Client signs the Order. By signing the Order, the Client agrees with the applied Exchange Rate and conversion coefficient.

No extra charge for the urgent processing of this Order shall be charged to the Client.

**19.3 Special terms for payments in CNY.** The Bank shall execute foreign payments (payments abroad) in CNY (Chinese yuan) in accordance herewith, unless specified otherwise in this Article 19.3. The Client hereby acknowledges that:

- a) CNY is not a fully convertible currency and any CNY transactions are therefore subject to approval of Chinese authorities and may be controlled and regulated by them pursuant to Chinese (PRC) law.
- b) Any payments abroad made in CNY can only be credited to accounts of legal entities with their registered office in the People's Republic of China that are authorised to receive or receive and make payments in the Chinese currency, and can be made exclusively in return for delivered goods and services and/or in association with transactions approved by regulatory authorities of the People's Republic of China.
- c) Should the Client fail to abide by the limitations set out in the above article (b), he/she/it shall bear any and all legal and financial consequences resulting from generally applicable law of the Czech Republic or regulatory measures of authorities of the People's Republic of China. Any payment abroad made by the Client in CNY may be, e.g., sent back and/or converted into another currency as part of the regulatory measures. The Bank shall not be held liable for any regulatory measure of Chinese authorities.

**19.4 Information disclosed to SWIFT Society.** Pursuant to US law, the data and information related to international payment transactions may become part of information transmitted by SWIFT (the Society for Worldwide Interbank Financial Telecommunication) to the US Department of the Treasury as part of the Terrorist Finance Tracking Programme. This provision shall not apply to domestic payments made in CZK.

## Article 20. SEPA Payment

**20.1** The SEPA Payment is any cashless transfer of funds in EUR whose amount is not limited. The debtor and creditor's (i.e. payer and payee's) accounts may both be denominated in any currency but must be kept in the SEPA Area. The SEPA Payment Order must contain a Unique Identifier in the IBAN format; the BIC is not mandatory. Fees related to the transfer shall be shared by the debtor and creditor ("SLEV" or "SHA" fees).

## Article 21. SEPA Direct Debit

**21.1** The SEPA Direct Debit is a cashless transfer of funds from a debtor's account made in EUR and initiated by a creditor via the creditor's bank, based on a previous agreement with the payer. The debtor and creditor's banks must both be SEPA Reachable Banks under a given payment scheme. The Bank shall only provide the SEPA Direct Debit service along with Accounts kept in EUR, under the B2B and CORE Payment Schemes.

## Article 22. SEPA Direct Debit on the Part of the Client – Debtor

**22.1 SEPA Direct Debit Mandate.** The Bank shall execute the SEPA Direct Debit from the Account of the Client – Debtor, i.e., shall deduct the required amount from the Account, based on the SEPA Direct Debit Mandate issued by the Client. If the Client – Debtor fails to issue the SEPA Direct Debit Mandate, the SEPA Direct Debit from the Client's Account shall be disabled and the Bank shall not provide the SEPA Direct Debit from the Account of the Client – Debtor.

**22.2 Required particulars of the SEPA Direct Debit Mandate.** The SEPA Direct Debit Mandate submitted by the Client must contain all the below particulars:

- a) Debtor's account number in the IBAN format,
- b) Unique mandate reference (UMR),
- c) Creditor identifier (CID) of the payee authorised to collect (draw) cashless transfers of funds from the Client's Account,
- d) Limit (cap) of a single collection,
- e) Frequency and
- f) Other information as requested by the Bank's form.

The SEPA Direct Debit Mandate can only be established to a EUR Account. The SEPA Direct Debit Mandate using the B2B Payment Scheme cannot be established to an Account of a Client – natural person (non-business). When setting the limit (cap), the Client must take into account the maximum expected amount of a single collection under any circumstances.

**22.3** The Client shall be entitled to alter the amount of the limit (cap) or the frequency at any time at the Client's Point of Sale or in another manner agreed with the Bank. The SEPA Direct Debit Mandate (establishing, change, or cancellation) must be delivered to the Bank no later than two Business Days before the due date of the collection. The Bank shall be entitled to reject a SEPA Direct Debit Mandate if delivered later.

**22.4 SEPA Direct Debit processing.** The Bank shall execute the SEPA Direct Debit, i.e., shall deduct the required amount from the Account of the Client – Debtor, in accordance with the SEPA Direct Debit Mandate issued pursuant to Article 22.2 hereof as at the required due date (date of payment), provided that there are sufficient liquid funds in the Account at the moment of the processing of the instruction. Failing this, the Bank shall not execute the direct debit instruction. The funds shall be credited to the creditor (payee) bank's account no later than one Business Day from the Moment of Effectiveness of the Order determined pursuant to Article 24.3 hereof.

# NOTICE ON THE PAYMENT SYSTEM

- 22.5 Expiry of a SEPA Direct Debit Mandate.** A SEPA Direct Debit Mandate shall expire if the Bank receives no SEPA Direct Debit Order within 36 months from the last SEPA Direct Debit.
- 22.6 SEPA Direct Debit cancellation.** The Client – Debtor shall be entitled to cancel the SEPA Direct Debit, however no later than one day before it falls due.
- 22.7 SEPA Direct Debit refund.** The Client – Debtor shall be entitled to the refunding of the amount debited under the SEPA Direct Debit, even without giving a reason, for the period of 8 weeks from the moment of debiting such an amount from his/her Account. The Client – Debtor shall also be entitled to the refunding of the amount debited under the SEPA Direct Debit for the period of 13 months in case of an unauthorised SEPA Direct Debit. This provision shall not apply to the B2B Payment Scheme.

## Article 23. SEPA Direct Debit on the Part of the Client – Creditor

- 23.1 Precondition of acceptance of the SEPA Direct Debit Collection Order.** The Bank shall be entitled to not to accept SEPA Direct Debit Collection Orders before entering into a contract for the provision of this service with the Client – Creditor, and not to execute each separate SEPA Direct Debit Collection Order unless certain preconditions set forth therein are met.
- 23.2 SEPA Direct Debit Collection Order.** The Client – Creditor can only submit the SEPA Direct Debit Collection Order via direct debit banking services, in the manner specified below in Part D) PAYMENT SERVICES PROVIDED VIA THE DIRECT BANKING SERVICES and in the Product Term and Conditions of the MultiCash KB service.
- 23.3 Expiry of SEPA Direct Debit Collection.** SEPA Direct Debit Collection shall expire if the Bank receives no SEPA Direct Debit Collection Order within 36 months from the receipt of the last previous SEPA Direct Debit Collection Order.

## Article 24. Payments Abroad – General Provisions

- 24.1** A payment Order abroad shall mean an instruction for a payment in a foreign currency or CZK to be made from an Account to a foreign bank, or a payment in a foreign currency to be made to a domestic bank. Unless specified otherwise above, the following provisions shall also apply to the SEPA Payment and SEPA Direct Debit.
- 24.2 Submitting an order to the Bank.** Payment Orders abroad can be submitted by the Client at a point of sale of the Bank. Orders whose sum total is in excess of CZK 500,000 (inclusive) or an equivalent in a foreign currency must be submitted to the Bank in the manner set forth under Article 27 hereof.
- 24.3 Moment of Effectiveness of the Order.** The Moment of Effectiveness of the Order shall fall on:
- The Business Day set out by the Client as the required date of payment (due date), if the Order states a due date that has not yet occurred and falls on a Business Day, in case that the Order has been delivered to the Bank before such required date of payment (due date);
  - The Business Day on which the Bank has received the Order, if the Order has been delivered to the Bank on the given day by the deadline set for the submission of the Order under Article 24.5 hereof and no required date of payment (due date) is stated in the Order or such a date has already occurred;
  - The Business Day following the date of delivery of the Order to the Bank, if the Order has been delivered to the Bank on the given day after the lapse of the deadline set for the submission of the Order under Article 24.5 hereof and no required date of payment (due date) is stated in the Order or such a date has already occurred; or
  - The Business Day following the required date of payment (due date) stated in the Order, if the Client set out a future date of payment (due date) that does not fall on a Business day;
- However, this all provided that any and all prerequisites are met as set forth by the Contract and by law for the execution of the Order, including availability of liquid funds in the Account. Failing this, the Bank shall reject such an Order or, if so agreed with the Client, the Moment of Effectiveness of the Order shall not occur before the day on which all the prerequisites are met so that the Order can be executed.
- 24.4 Currency conversion.** When converting a foreign currency, the Bank shall use the Exchange Rate effective at the Moment of Effectiveness of the Order, except for the cases referred to under Article 24.3(ii) hereof, whereby the Bank shall use the Exchange Rate effective at the time the Order has been delivered to the Bank.
- 24.5 Deadlines for crediting the funds.**

The table below shows particular times of the required date of payment of the Order applicable to respective modes of processing of the payment in different currencies, by which the Order must be submitted to the Bank so that the payment can be made by the deadline stated in the last column ("D" stands for the submission date of the Order and the numeral after the plus sign a number of Business Days).

Processing of the payment	Currency	Deadline for the submission of the Order	Crediting of the payment to the payee's bank account
STANDARD	In AUD, CAD, CNY, JPY, RUB, TRY, USD	15:30	D+2
	In BGN, CHF, CZK, DKK, EUR, GBP, HRK, HUF, NOK, PLN, RON, SEK		D+1
	SEPA Payment		D+1
EXPRESS	In CAD, RUB, TRY, USD	15:30	D+1
URGENT	In HRK, HUF, PLN	9:00	D+0
	In RUB	10:00	
	SEPA Payment	11:00	
	In CHF, CZK, DKK, NOK, SEK	12:00	
	In CAD, EUR, GBP, USD	13:00	
	In currencies not listed under Article 19.1	13:00	
Payment to the Bank's Branch	In BGN, CAD, CHF, DKK, GBP, HUF, NOK, PLN, RON, RUB, SEK, TRY	13:00	D+0

# NOTICE ON THE PAYMENT SYSTEM

	In CZK, EUR, USD, and SEPA Payment	14:00	
	In AUD, JPY	13:00	D+2

In case of Transactions outside EEA, the deadlines for the crediting of the funds to a payee bank's account shall depend on the manner of processing a transaction by intermediary banks. If the Client fails to specify in the Order the speed of processing of the payment, it shall be processed in the "Standard" mode.

- 24.6 Payment of fees related to the transfer under Transactions within EEA.** In case of the Transactions within EEA, the fees related to the transfer shall be shared by the Client and the payee ("SLEV" or "SHA" fees). The Client shall be obliged to designate the Order with the "SLEV" or "SHA" charge code, provided that a relevant form or data field make it possible to choose a manner of payment of the fees. If the Client fails to designate the manner of payment of the fees (i.e., choose the charge code), the given Order shall be processed as if the "SHA" charge code were chosen. As for the Transactions within EEA executed in currencies other than EEA currencies, the Client hereby acknowledges that the Bank shall charge him/her with a fee as per the Tariff of Fees and, at the same time, the payee's bank and/or intermediary banks may charge the payee with a fee set forth by these banks, or the transferred amount may be reduced by the amount of the aforesaid fees.
- 24.7 Payment of fees related to the transfer in case of the Transactions outside EEA.** If, in case of the Transactions outside EEA, the Client determines that fees related to the transfer should be paid by the payee – beneficiary of the payment ("BEN"), he/she hereby acknowledges that the transferred amount shall be decreased by the Bank's fees and, at the same time, may also be decreased by the fees charged by intermediary banks. If the Client determines that fees related to the transfer should be shared by the Client and the payee ("SHA"), he/she hereby acknowledges that the Bank shall charge him/her with a fee as per the Tariff of Fees and, at the same time, the payee's bank and/or intermediary banks may charge the payee with a fee set forth by these banks, or the transferred amount may be reduced by the amount of the aforesaid fees. In case that the Client states the "OUR" charge code in the Order, the fees related to the transfer shall be paid by the Client. The Bank cannot guarantee that the payee's bank and/or intermediary banks shall respect the "OUR" charge code.
- 24.8** The Bank shall choose, solely at its discretion, a foreign bank that shall process an Order for a payment made abroad, unless agreed upon otherwise with the Client. If the recipient bank fails to settle the payment from abroad and sends back to the Bank the amount of the payment less any costs incurred by itself, the Bank shall credit the reduced amount of the payment back to the Client's Account.

## Article 25. Standing Payment Order (Abroad)

- 25.1** A standing payment Order relating to payments to be made abroad shall be executed based on a Client's instruction for repeated payments of a set amount of money to be made to the same payee at regular intervals in a foreign currency or in CZK from the Account to foreign bank or in a foreign currency to a domestic banks.
- 25.2 Deadline for submitting to the Bank a standing payment Order.** A standing payment Order relating to payments to be made abroad must be delivered to the Bank at least two Business Days before the required date of the first payment (due date). The same deadline shall also apply if a standing payment Order is to be cancelled. The Bank shall be entitled to reject a standing payment Order relating to payments to be made abroad, if delivered to the Bank after the aforesaid deadline.
- 25.3 Moment of effectiveness of a standing payment Order.** The Moment of Effectiveness of each payment made pursuant to a standing payment Order shall fall on:
- The day set out by the Client as the required date of payment (due date), if it falls on a Business Day, or
  - The Business Day foregoing the required date of payment (due date), if such due date does not fall on a Business day,
- However, this all provided that any and all prerequisites are met as set forth by the Contract and by law for a relevant payment, including availability of liquid funds in the Account. If the Moment of Effectiveness does not occur only due to the lacking available funds in the Account, the due date shall be postponed to the next succeeding Business Day. If the conditions set above for a particular payment are not met by such a Business Day, the Bank shall reject to execute the payment.
- 25.4 Cancellation by the Bank of a standing payment Order abroad.** The Bank shall be entitled to cancel a standing payment Order abroad if no new standing payment Order abroad is processed by the Bank within 18 months from the processing of the last previous standing payment Order for abroad.
- 25.5 Currency conversion.** When converting a foreign currency, the Bank shall use the Exchange Rate effective at the Moment of Effectiveness of the Order.

## Article 26. Payments From Abroad

- 26.1** An Order for a payment from abroad shall mean an instruction for a payment in a foreign currency or CZK to be made from a foreign bank, or a payment in a foreign currency to be made from another domestic bank.
- 26.2 Deadlines for crediting the funds.** Payments from abroad shall be credited to the Client's Account as soon as the Bank receives the funds, if they are credited to its account by 16:00 hrs (at the latest) and the Bank receives from a payer's bank any and all information without which the funds cannot be credited to the Client's Account.
- 26.3 Currency conversion.** Payments that include a currency conversion shall be credited using the Exchange Rate effective on the day the funds are credited to the Client's Account and within this day at the moment of the preparation by the Bank of accounting data for clearance of the payment.
- 26.4** In case of Transactions outside EEA whereby the Bank has to conduct additional investigation or arrangement, the funds shall be credited to the payee's Account as soon as the Bank has completed such investigation or arrangement. The Bank shall use the Exchange Rate effective at the date of crediting the funds.
- 26.5 Payment of fees related to transfer.** The Bank shall charge fees as per the Tariff of Fees in relation to the type of a fee specified in the payment instructions for payment from abroad. If the payment instructions indicates that fees related to the transfer should be paid by the payee/creditor – beneficiary of the payment ("BEN") or shared by the payer/debtor and the Client ("SLEV" or "SHA"), the Bank shall charge the fees as per the Tariff of Fees and, at the same time, the payer's bank and/or intermediary banks may decrease the amount of the payment by related fees. If it is specified in the payment instruction received by the Bank that the fees related to the transfer should be paid by the payer (order party) ("OUR"), the fees related to the transfer shall be paid by the payer.
- 26.6** If there are any restrictions on payments in payee's Account, the Bank shall be entitled to set off a fee for the processing of a payment and deduct it from the transferred amount before the amount is credited to the Account.

## Article 27. Specific Procedures Concerning Particular Withdrawals and Orders

# NOTICE ON THE PAYMENT SYSTEM

- 27.1** When withdrawing the cash over CZK 500,000 (inclusive) or an equivalent in a foreign currency, the Client shall be obliged to report the cash withdrawal by submitting a separate cash withdrawal slip, in which he/she shall specify the following particulars:
- The number of the Account from which the cash shall be withdrawn;
  - The first name, surname and birth number (or the date of birth / identity card number) of the individual who shall withdraw the cash, or the number of the cheque through which the withdrawal of cash shall be made;
  - The Bank's Point of Sale at which the cash shall be withdrawn;
  - Nominal values and quantities of banknotes and coins to be withdrawn if the Client requires a specific configuration thereof;
  - A signature as per the Specimen Signature, made in accordance with the manner of handling the funds arranged for the Account from which cash shall be withdrawn.
- 27.2** Deadlines for reporting the withdrawal of cash are set forth in Article 4 hereof.
- 27.3** Any payment Order and/or cash withdrawal slip related to the withdrawal of cash over CZK 500,000 (inclusive) or an equivalent in a foreign currency (except for cheques) shall be handed over by the Client directly to the staff of the Bank's Point of Sale, in a written form, either in person or through any Authorised Individual, Proxy authorised to this purpose by the Client, or a person who proves his/her identity by a Optical Key Branch Card. The Bank shall be obliged to verify the identity of such persons.
- 27.4** The Bank shall be entitled to require that the Client, Proxy or Authorised Individual sign a presented payment Order or cash withdrawal slip related to the withdrawal of cash over CZK 500,000 (inclusive) or an equivalent in a foreign currency (except for cheques) in the presence of an employee of the Bank, even though their signatures may already have been annexed to the Order or cash withdrawal slip.
- 27.5** The Bank shall be entitled to make an authorisation of a given payment Order or cash withdrawal slip over telephone. The Bank shall be entitled to reject the Order if it fails to authorise it.
- 27.6** The Client shall be entitled to agree with the Bank in writing upon passwords for the purpose of authorisation of payment Orders and/or cash withdrawal slips. The passwords shall be used at the earliest as from the next succeeding Business Day following the day on which they shall have been agreed.
- 27.7** The Bank shall reject any cash withdrawal slip related to the withdrawal of cash from a recently opened current Account to which the required amount has not yet been credited (or, as the case may be, if the amount to be withdrawn is in excess of a minimum initial deposit in the Account required by the Bank).

## D) PAYMENT SERVICES PROVIDED VIA THE DIRECT BANKING SERVICES

The provision and use of the direct banking services is governed by separate Product Terms and Conditions. Unless set forth otherwise in this Section (D), provisions contained in other sections of this Notice shall be accordingly applied to payment transactions executed via the direct banking services.

The following Orders shall be accessible via *MojeBanka* Internet Banking, *MojeBanka Business* Internet Banking, *ProfiBanka* PC Banking and Direct Channel PB Services. The Orders shall be accessible via Direct Channel only as part of a Batch.

### Article 28. Orders for Payments in CZK and/or in a Foreign Currency

- 28.1** An Order for a payment made in CZK may be arranged to the debit of a CZK current Account and to the credit of a CZK account kept with the Bank or with another bank in the Czech Republic. The terms and conditions for Orders for payments made in CZK or in a foreign currency to the debit/credit of a term Account are set forth separately in Article 31 hereof.
- 28.2** An Order for a payment made in a foreign currency can be used for (i) a payment between accounts kept with the Bank and denominated in the same currency or in different currencies, except for cases where both accounts are CZK accounts, or (ii) a payment made in CZK to the debit of a foreign-currency Account and to the credit of an account kept with another bank in the Czech Republic. An Order for a payment made in a foreign currency outside the Bank shall be forwarded to the CNB Clearing Centre and, therefore, the Bank shall always execute the Order in CZK, notwithstanding the currency in which the Account is denominated from which the payment should be debited.
- 28.3** Due dates of payments made from a Payment Account pursuant to the Orders for a payment in CZK and/or in a foreign currency that do not involve a currency conversion and are submitted before 24:00 hrs (12:00 midnight), except for payments to be credited to a credit card account or to accounts other than Payment Accounts, shall be determined as follows, except for Orders with an advanced due date:
- If the Order is submitted on a Business Day before 20:30 hrs, the due date of the Order shall be identical with the date of its submission;
  - If the Order is submitted on a Business Day after 20:30 hrs, the due date of the Order shall fall on the next succeeding Business Day;
  - If the Order is submitted on a day other than a Business Day, the due date of the Order shall fall on the next succeeding Business Day.
- If the Order is submitted on a Business Day between 20:30 hrs and 24:00 hrs (12:00 hrs midnight) and/or on a day other than a Business Day, the Bank shall be entitled to block the amount of the payment transaction in the Account. The blocking shall result in decreasing the Available Balance in the Account and shall be lifted upon debiting the payment from the account (at the latest).
- Due dates of payments made from a Payment Account pursuant to the Orders for a payment in CZK and/or in a foreign currency that do not involve a currency conversion, to a credit card account or to accounts other than Payment Accounts, shall be determined as follows, except for Orders with an advanced due date:
- If the Order is submitted on a Business Day before 20:30 hrs, the due date of the Order shall be identical with the date of its submission;
  - If the Order is submitted on a Business Day after 20:30 hrs, the due date of the Order shall fall on the next succeeding Business Day;
  - If the Order is submitted on a day other than a Business Day, the due date of the Order shall fall on the next succeeding Business Day.
- The Order for a payment in CZK that does not involve a currency conversion can also be submitted via *Mobilní banka* (Mobile Banking) Internet banking service.
- If the Orders for a payment in CZK and/or in a foreign currency that do not involve a currency conversion remain unsettled on their due date after the last round of the multiple-round processing, i.e. by 20:20 hrs, they can be settled during any further round of the multiple-round processing on 2 succeeding Business Days, however not later than by 20:20 hrs of the last day of the repetition, if sufficient funds are available.
- 28.4** Due dates of payments made pursuant to the Orders for a payment in CZK and/or in a foreign currency that involve a currency conversion shall be determined as follows, except for Orders with an advanced due date:
- If the Order is submitted on a Business Day before 17:00 hrs, the due date of the Order shall be identical with the date of its submission;
  - If the Order is submitted on a Business Day after 17:00 hrs, the due date of the Order shall fall on the next succeeding Business Day;
  - If the Order is submitted on a day other than a Business Day, the due date of the Order shall fall on the first next succeeding Business Day.

### Article 29. Orders for Instant Payments

- 29.1** An Instant Payment Order can be used to make an outgoing payment in CZK without a currency conversion, in the form of an individual Order marked with the "Instant Payment" option from a current account denominated in CZK to the credit of an account held with another bank in

# NOTICE ON THE PAYMENT SYSTEM

the Czech Republic. The condition for making the instant payment is a sufficient Available Balance in the Account, and the current availability and functionality of the XAMOS CNB system and the system of the other bank in the Czech Republic, which has accessed to the Instant Payment scheme. The Instant Payment Order cannot be submitted in a Batch.

- 29.2** The Instant Payment Order is not subject to the multiple-round processing. If the Instant Payment Order is rejected, the Bank shall notify the Client of the reason for the rejection. The Client may submit a new Instant Payment Order with the same data for normal processing, or may choose to process it in the "Express" mode or again as an "Instant Payment".
- 29.3** At the time of acceptance of the Instant Payment Order, the Bank shall be entitled to block the amount of the payment transaction in the Account. The blocking shall result in decreasing the Available Balance in the Account and shall be lifted upon debiting the payment from the account (at the latest).
- 29.4** Due dates of payments made pursuant to the Instant Payment Order shall be determined as follows:
- If the Order is approved on a Business Day before 20:30 hrs, the due date of the Order shall be identical with the date of its approval by the XAMOS CNB system;
  - If the Order is approved on a Business Day after 20:30 hrs, the due date of the Order shall fall on the next succeeding Business Day after its approval by the XAMOS CNB system (at the latest);
  - If the Order is approved on a day other than a Business Day, the due date of the Order shall fall on the next succeeding Business Day after its approval by the XAMOS CNB system (at the latest).

The Instant Payment Order can be submitted via *Mobilní banka* and *MojeBanka* Internet banking services.

## Article 30. Standing Orders for Payment and Automatic Transfer of Balance

- 30.1** The User may establish, change or cancel a standing Order for a payment in CZK or in a foreign currency, or an automatic transfer of balance, no later than 2 Business Days before the required date of payment (due date). The standing payment Order may be submitted (i) with respect to a payment between accounts kept with the Bank in identical or different currencies, or (ii) with respect to a payment to another bank in the Czech Republic, to the debit of a current Account kept in CZK or in a foreign currency. A payment outside the Bank made under a standing Order for a payment in a foreign currency shall always be madder in CZK, notwithstanding the currency in which the payer's Account is kept. For the purpose of this Section (D) hereof, an automatic transfer of balance shall mean a fixed-date transfer of excessive funds from a CZK current Account to a current account or selected CZK saving accounts.
- 30.2** The Bank may make it possible for the User to cancel a standing Order for a payment or an automatic transfer of balance with an immediate effect from the moment at which the request shall be submitted, i.e. from the moment it shall be forwarded to the Bank for processing via a relevant PB Service.
- 30.3** The establishing or changing of a standing Order for a payment by a Client – natural person shall not be subject to the Multiple/Multilevel Authorisation, except in case of a Client – Statutory Body or a Client – Authorised Individual, whereby the Order shall always be subject to the Multiple/Multilevel Authorisation. Cancellation of a standing Order for a payment or of an automatic transfer of balance shall not be subject to the Multiple/Multilevel Authorisation.
- 30.4** The Moment of Effectiveness of a standing Order for a payment and an automatic transfer of balance shall be governed by Article 16 hereof. A standing Order for a payment and an automatic transfer of balance shall not be subject to the Multiple/Multilevel Authorisation in case of insufficient funds. They shall not be not subject to the multiple-round processing in case of a lack of sufficient funds.

## Article 31. Payments to the Debit/Credit of a Term Account

- 31.1** An Order for a payment made in CZK or in a foreign currency (even as part of a Batch) arranged to the credit of a term Account kept with the Bank may only be submitted if the term Account in question belongs to the Entity and both accounts between which the transfer is to be made are denominated in the same currency. Such an order shall only be cleared (executed) if its due date is identical with the maturity date (renewal) of the deposit in the term Account.
- 31.2** An Order for a payment made in CZK or in a foreign currency may also be arranged to the debit of a term Account, though only between the Entity's accounts kept with the Bank in the same currency. Such an Order shall only be cleared (executed) if its due date is identical with the maturity date (renewal) of the deposit in the term Account. The Bank shall reject an order arranged to the debit of a term Account if, after the execution thereof, the balance in the Account would be below the minimum agreed balance.
- 31.3** It is only possible to submit one Order to the debit of a term Account with a required date of payment falling on a maturity date (renewal) of the deposit, no matter whether such an Order is submitted via a PB Service or in another manner. If a cash deposit is made to a term Account as at a maturity date (renewal) of the deposit in the term Account and a fee should be charged for such cash deposit as per the Contract and Tariff of Fees, the aforesaid fee shall be deemed a payment to the debit of the term Account and, hence, another Order may not be arranged to the debit thereof.
- 31.4** Due dates of payments made pursuant to the Orders for a payment in CZK and/or in a foreign currency that do not involve a currency conversion, which are arranged to the debit/credit of a term Account shall be determined as follows, except for Orders with an advanced due date:
- If the Order is submitted on a Business Day before 20:30 hrs, the due date of the Order shall be identical with the date of its submission;
  - If the Order is submitted on a Business Day after 20:30 hrs, it shall be rejected;
  - If the Order is submitted on a day other than a Business Day before 24:00 hrs (12:00 hrs midnight), the due date of the Order shall be identical with the date of its submission. The Order shall be cleared (executed) on the next succeeding Business Day at the latest.
- 31.5** Due dates of payments made pursuant to the Orders for a payment in CZK and/or in a foreign currency that involve a currency conversion, which are arranged to the debit/credit of a term Account, shall be determined as follows, except for Orders with an advanced due date:
- If the Order is submitted on a Business Day before 17:00 hrs, the due date of the Order shall be identical with the date of its submission;
  - If the Order is submitted on a Business Day after 17:00 hrs, it shall be rejected;
  - If the Order is submitted on a day other than a Business Day before 24:00 hrs (12:00 hrs midnight), the due date of the Order shall be identical with the date of its submission. The Order shall be cleared (executed) on the next succeeding Business Day at the latest.

## Article 32. Direct Debit Mandate

- 32.1** The user can establish, change or cancel:
- The direct debit mandate (for a CZK or FX current Account);
  - The SIPO Direct Debit mandate (for a CZK current Account); and
  - The direct debit mandate for the O2 – pevná linka (wire telephone extension) service (for a CZK current Account).

# NOTICE ON THE PAYMENT SYSTEM

The direct debit mandate for a CZK or FX current Account may be established as:

- A permanent DD mandate, under which the Bank shall execute the direct debit Collection Orders, with the expiry date and other parameters set out by the User,
- A one-off DD mandate, under which the Bank shall execute the direct debit Collection Orders only once.

These instructions are not the Orders, i.e., they are not payment orders as envisaged in the Payments Act. However, they are authorisations of payment transactions in terms of the aforesaid Act.

- 32.2** The effectiveness of the orders associated with direct debit mandates, i.e., establishing, cancellation, or change of the limit, shall be determined as follows:
- In case of Orders submitted on a Business Day before 20:30 hrs, the order shall come into effect on the same day;
  - In case of Orders submitted on a Business Day after 20:30 hrs or on other days than Business Days, the order shall come into effect on the next succeeding Business Day.
- 32.3** Direct debit mandates are subject to the Multiple/Multilevel Authorisation if made by a Client – Statutory body or Plenipotentiary.
- 32.4** If direct debit is allowed from a foreign currency current account, it can only be established, changed or cancelled if the Client's account and payee's account are denominated in the same foreign currency.
- 32.5** The detailed terms and conditions governing a direct debit mandate can be found in a relevant Handbook.

## Article 33. Collection Orders

- 33.1** The User may only submit an Order for a collection made in CZK or in a foreign currency to the credit of the Client's Current Account from accounts kept with the Bank (in CZK or a foreign currency) or from CZK accounts kept with other banks in the Czech Republic. If the amount deducted by a Collection Order should be collected in a foreign currency, the payer's and the payee's account must be denominated in the same foreign currency. An Order for a collection from an account kept with the Bank may be submitted at the due date (required date of payment) at the latest; such an Order shall be subject to the multiple-round processing. An Order for a collection from accounts kept with other banks in the Czech Republic must be submitted 1 Business Day before the due date by 20:30 hrs on the submission date (at the latest) depending on the mode of its processing; such an Order shall not be subject to the multiple-round processing.
- 33.2** If the preconditions of the execution of the Collection Order are not met at the due date of the Collection Order, the execution of the Collection Order shall be repeatedly attempted on 4 successive Business Days under the multiple-round processing, until the preconditions are met. If the preconditions are not met by the aforesaid deadline, this Collection Order shall be rejected on the next succeeding Business Day.
- 33.3** The Bank shall be entitled to subject the acceptance of collection Orders to the condition of entering into a contract on the provision of this service with the Client, and the execution of each of his/her collection Orders to the condition of meeting the terms and conditions laid down in such a contract.
- 33.4** Due dates of collections made pursuant to the collection Orders from accounts kept with the Bank shall be determined as follows, except for Orders with an advanced due date:
- If the Order is submitted on a Business Day before 20:30 hrs, the due date of the Order shall be identical with the date of its submission;
  - If the Order is submitted on a Business Day after 20:30 hrs or on a day other than a Business Day, the due date of the Order shall fall on the next succeeding Business Day.
- 33.5** Collection Orders shall not be subject to the Multiple/Multilevel Authorisation.
- 33.6** To cancel a Collection Order, it shall suffice that the Cancellation Order be signed by a single User, regardless of his/her User's Account Limit, even if the Multiple/Multilevel Authorisation has been arranged.

## Article 34. Foreign Payments (Payment Orders Abroad)

- 34.1** Due dates of payments made pursuant to the payment Order abroad that do not involve a currency conversion shall be determined as follows, except for Orders with an advanced due date:
- If the Order is submitted on a Business Day before the time specified under Article 34.3, the due date of the Order shall be identical with the date of its submission;
  - If the Order is submitted on a Business Day after the time specified under Article 34.3, the due date of the Order shall fall on the next succeeding Business Day.
  - If the Order is submitted on a day other than a Business Day, the due date of the Order shall fall on the first next succeeding Business Day.
- 34.2** Due dates of payments made pursuant to the payment Order abroad that involve a currency conversion shall be determined as follows, except for Orders with an advanced due date:
- If the Order is submitted on a Business Day before 17:00 hrs, the due date of the Order shall be identical with the date of its submission;
  - If the Order is submitted on a Business Day after 17:00 hrs, the due date of the Order shall fall on the next succeeding Business Day.
  - If the Order is submitted on a day other than a Business Day, the due date of the Order shall fall on the first next succeeding Business Day.
- 34.3** The table below shows particular times of the required date of payment of the Order applicable to respective modes of processing of the Foreign Payments in different currencies, by which the Order must be submitted to the Bank so that the payment can be made by the deadline stated in the last column ("D" stands for the submission date of the Order and the numeral after the plus sign a number of Business Days).
- "Express" and "Urgent" Foreign Payments

Processing of the payment	Currency	Deadline for the submission of the Order	Crediting of the payment to the payee's bank account
EXPRESS	In BGN, CAD, CHF, CZK, DKK, EUR, GBP, HRK, HUF, NOK, PLN, RON, RUB, SEK, TRY, USD debited from an Account denominated in the same currency as the Order	20:30	D+1
	In AUD, CNY, JPY debited from an Account denominated in the same currency as the Order	17:00	D+2
		17:00 - 20:30	D+3
	In BGN, CAD, CHF, CZK, DKK, EUR, GBP, HRK, HUF, NOK, PLN,	17:00	D+1

# NOTICE ON THE PAYMENT SYSTEM

	RON, RUB, SEK, TRY, USD debited from an Account denominated in a currency different from that of the Order		
	In AUD, CNY, JPY debited from an Account denominated in a currency different from that of the Order	17:00	D+2
<b>URGENT</b>	In HRK, HUF, PLN	10:00	D+0
	In RUB	11:00	
	In CHF, CZK, DKK, NOK, SEK	13:00	
	In CAD, EUR, GBP, USD	14:00	

▪ "Express" Foreign Payments in the Batch

Type of the Batch	Currency	Deadline for the submission of the Order	Crediting of the payment to the payee's bank account
<b>On-line</b>	In BGN, CAD, CHF, CZK, DKK, EUR, GBP, HRK, HUF, NOK, PLN, RON, RUB, SEK, TRY, USD debited from an Account denominated in the same currency as the Order	20:30	D+1
	In AUD, CNY, JPY debited from an Account denominated in the same currency as the Order	17:00	D+2
		17:00 - 20:30	D+3
	In BGN, CAD, CHF, CZK, DKK, EUR, GBP, HRK, HUF, NOK, PLN, RON, RUB, SEK, TRY, USD debited from an Account denominated in a currency different from that of the Order	17:00	D+1
<b>Continuous and batch-type</b>	In BGN, CAD, CHF, CZK, DKK, EUR, GBP, HRK, HUF, NOK, PLN, RON, RUB, SEK, TRY, USD debited from an Account denominated in the same currency as the Order	17:00	D+2
		18:00	D+1
	In AUD, CNY, JPY debited from an Account denominated in the same currency as the Order	18:00 - 20:30	D+2
		17:00	D+2
	17:00 - 20:30	D+3	
In BGN, CAD, CHF, CZK, DKK, EUR, GBP, HRK, HUF, NOK, PLN, RON, RUB, SEK, TRY, USD debited from an Account denominated in a currency different from that of the Order	17:00	D+1	
In AUD, CNY, JPY debited from an Account denominated in a currency different from that of the Order	17:00	D+2	

"Urgent" Foreign Payments in the Batch shall be processed by the deadlines stated in the table before last above.

▪ Foreign Payments credited to accounts denominated in different currencies and kept with the Bank's Branch:

Currency in which the payment is made	Deadline for the submission of the Order	Crediting of the payment to the Bank's Point of sale account
In BGN, CAD, CHF, DKK, GBP, HUF, NOK, PLN, RON, RUB, SEK, TRY	14:00	D+0
	14:00 - 20:30	D+1
In CZK, EUR, USD	15:00	D+0
	15:00 - 20:30	D+1
In AUD, JPY debited from an Account denominated in the same currency as the Order	17:00	D+2
	17:00 - 20:30	D+3
In AUD, JPY debited from an Account denominated in a currency different from that of the Order	17:00	D+2

In case of an Order submitted in the Batch or a batch-type Order, the Foreign Payment debited from an Account denominated in the same currency as the Order shall be credited to the account kept with the Bank's Branch on the D+1 day.

- 34.4** The Bank reserves the right to change the above deadlines and currencies. If an Order is submitted on a day other than a Business Day, the due date shall fall on the next succeeding Business Day.
- 34.5** The Bank shall be entitled to cancel a preliminary advice of a payment received from abroad to the credit of the Client's Account based on a request by the payer or payer's bank.

## Article 35. FX Payments

- 35.1** Only a User with a pre-set Individual FX Payment Limit shall be entitled to submit an Order for an FX Payment; the amount of such payment must not be in excess of the aforesaid Individual FX Payment Limit.
- 35.2** Provisions governing Orders for payments made in CZK or in a foreign currency, Foreign Payments or SEPA Payments shall accordingly apply to FX Payments, depending on the relevant type of a FX Payment.

# NOTICE ON THE PAYMENT SYSTEM

## Article 36. SEPA Payment

- 36.1** Due dates of payments made pursuant to the SEPA Payment Orders that do not involve a currency conversion shall be determined as follows, except for Orders with an advanced due date:
- If the Order is submitted on a Business Day before the time specified under Article 36.3, the due date of the Order shall be identical with the date of its submission;
  - If the Order is submitted on a Business Day after the time specified under Article 36.3, the due date of the Order shall fall on the next succeeding Business Day.
  - If the Order is submitted on a day other than a Business Day, the due date of the Order shall fall on the first next succeeding Business Day.
- 36.2** Due dates of payments made pursuant to the SEPA Payment Orders that involve a currency conversion shall be determined as follows, except for Orders with an advanced due date:
- If the Order is submitted on a Business Day before 17:00 hrs, the due date of the Order shall be identical with the date of its submission.
  - If the Order is submitted on a Business Day after 17:00 hrs, the due date of the Order shall fall on the next succeeding Business Day.
  - If the Order is submitted on a day other than a Business Day, the due date of the Order shall fall on the first next succeeding Business Day.
- 36.3** The table below shows particular times of the required date of payment of the Order applicable to respective modes of processing of the SEPA Payment, by which the Order must be submitted to the Bank so that the payment can be made by the deadline stated in the last column ("D" stands for the submission date of the Order and the numeral after the plus sign a number of Business Days).
- "Express" and "Urgent" SEPA Payments

Processing of the SEPA Payment	Currency	Deadline for the submission of the Order	Crediting of the payment to the payee's bank account
EXPRESS	In EUR debited from an Account denominated in the same currency as the Order	20:30	D+1
	In EUR debited from an Account denominated in a currency different from that of the Order	17:00	D+1
URGENT	In EUR	11:00	D+0
		14:00	

"Urgent" SEPA Payment order submitted before

- 11:00 hrs shall be processed as a SEPA payment in accordance with Article 20,
- 14:00 hrs shall be processed as a payment abroad in accordance with Article 24.
- "Express" SEPA Payments in the Batch

Type of the Batch	Currency	Deadline for the submission of the Order	Crediting of the payment to the payee's bank account
On-line	In EUR debited from an Account denominated in the same currency as the Order	20:30	D+1
	In EUR debited from an Account denominated in the same currency as the Order within the Bank	20:30	D+0
	In EUR debited from an Account denominated in a currency different from that of the Order	17:00	D+1
	In EUR debited from an Account denominated in a currency different from that of the Order within the Bank	17:00	D+0
Continuous and batch-type	In EUR debited from an Account denominated in the same currency as the Order	18:00	D+1
		18:00 – 20:30	D+2
	In EUR debited from an Account denominated in the same currency as the Order within the Bank	18:00	D+0
		18:00 – 20:30	D+1
In EUR debited from an Account denominated in a currency different from that of the Order	17:00	D+1	
	In EUR debited from an Account denominated in a currency different from that of the Order within the Bank	17:00	D+0

The mode of processing of the "Urgent" Order is defined in the Handbook.

- SEPA Payments credited to accounts kept with the Bank's Branch:

SEPA Payment to the Bank's Branch	Deadline for the submission of the Order	Crediting of the payment to the Bank's Point of sale account
In EUR	15:00	D+0
	15:00 - 20:30	D+1

In case of an Order submitted in the Batch or a batch-type Order, a SEPA Payment debited from an Account denominated in the same currency as the Order shall be credited to the account kept with the Bank's Branch on the D+1 day.

If an Order is submitted on another day than a Business Day, the due date shall fall on the next succeeding Business Day.

The Bank processes the SEPA Payment Orders that do not involve a currency conversion in the same manner like the Orders for payments in a foreign currency that do not involve a currency conversion.



# NOTICE ON THE PAYMENT SYSTEM

## Article 37. Direct Debit Mandate

- 37.1 The User may establish a SEPA direct debit mandate no later than two Business Days before the due date of the SEPA direct debit collection, except in cases where the establishing of the SEPA direct debit mandate relates to a SEPA direct debit with an advanced due date. The User may change a SEPA direct debit mandate no later than two Business Days before the due date of the SEPA direct debit collection. The User may cancel a SEPA direct debit mandate no later than one calendar day before the due date of the SEPA direct debit collection, except in cases where the cancellation of the SEPA direct debit mandate relates to a SEPA direct debit with an advanced due date.
- 37.2 The SEPA direct debit mandate is subject to the Multiple/Multilevel Authorisation if made by the Client – Statutory Body or Plenipotentiary.
- 37.3 The specific terms and conditions governing the SEPA direct debit mandate are contained in a relevant Handbook.

## Article 38. SEPA Direct Debit on the Part of the Client – Creditor

- 38.1 The Bank shall make it possible for the Client – Creditor to submit SEPA Direct Debit Collection Orders under a contract governing the given service that shall set forth terms and conditions for sending the SEPA Direct Debit Collection Orders, however only with respect to EUR Accounts. The SEPA Direct Debit Collection Order is an instruction for debiting funds from an account of a SEPA Direct Debit payer issued by the Client – Creditor (SEPA Direct Debit payee). In the SEPA Direct Debit Collection Order, the Client – Creditor shall be obliged to specify data and information that shall match the agreement between the Client – Creditor and the SEPA Direct Debit Payer.
- 38.2 The SEPA Direct Debit Collection Order can be submitted via *MojeBanka Business*, *Profibanka* and Direct Channel services; however, it can be submitted via the Direct Channel service only as part of a Batch.  
The SEPA Direct Debit Collection Order shall not be subject to the Multiple/Multilevel Authorisation.
- 38.3 In case of the B2B and CORE Payment Schemes, the due date of the SEPA Direct Debit shall be determined as follows (except for SEPA Direct Debit Collection Orders with an advanced due date):  
The SEPA Direct Debit Collection Order with the type/order “one-off”, “first”, “recurring” and “last” must be submitted 2 Business Days before the SEPA Direct Debit due date.
- 38.4 The effectiveness of the SEPA Direct Debit Collection Order (except for SEPA Direct Debit Collection Orders with an advanced due date) shall be determined as follows:
- If the SEPA Direct Debit Collection Order is submitted on a Business Day between 00:00 hrs (12:00 midnight) and 20:30 hrs, it shall become effective on the same day,
  - If the SEPA Direct Debit Collection Order is submitted on a Business Day between 20:30 hrs and 00:00 (12:00 midnight) or outside Business Days, it shall become effective on the next succeeding Business Day.
- 38.5 The SEPA Direct Debit payment that should be credited to the Account of the Client – Creditor shall be executed pursuant a sent SEPA Direct Debit Collection Order. The Bank shall not be held liable for a possible non-execution of the payment that should be made on the basis of the SEPA Direct Debit, if either the payer's bank or the payer rejects the SEPA Direct Debit Collection Order or if the Client – Creditor states erroneous data and/or information.  
The Client – Creditor shall be entitled to cancel an already sent SEPA Direct Debit Collection Order through the Bank's point of sale, electronic form, or Client Line. The Bank shall not be held liable for a possible non-execution of the cancellation of the SEPA Direct Debit Collection Order by the payer's bank.  
The Client – Creditor shall be entitled to ask the Bank for a Reversal to the payer of a payment credited on the basis of the SEPA Direct Debit within 4 Business Days from the moment the funds have been credited to the Client's Account.
- 38.6 The Bank shall be entitled to deduct from the Client's Account an amount of a payment previously credited to it on the basis of the SEPA Direct Debit if it receives from the payer's bank a request for the SEPA Direct Debit Return within the below deadlines:
- In case of the CORE Payment Scheme, within 5 Business Days from the moment the funds have been credited to the Client's Account,
  - In case of the B2B Payment Scheme, within 3 Business Days from the moment the funds have been credited to the Client's Account.
- 38.7 The Bank shall be entitled to deduct from the Client's Account an amount of a payment previously credited to it on the basis of the SEPA Direct Debit under the CORE Payment Scheme if it receives from the payer's bank a request for the Refund of an authorised SEPA Direct Debit, even without any given reason, within 8 weeks from the moment the funds have been credited to the Client's Account.
- 38.8 The Bank shall be entitled to deduct from the Client's Account an amount of a payment previously credited to it on the basis of the SEPA Direct Debit under the CORE Payment Scheme if it receives from the payer's bank a request for the Refund of an unauthorised SEPA Direct Debit within 13 months from the moment the funds have been credited to the Client's Account.

## Article 39. Express Payment in CZK (Order for an Express Payment Made in CZK)

- 39.1 An Express Payment in CZK can only be made to another bank in the Czech Republic. The Order may only be submitted to the debit of a CZK current Account.
- 39.2 Due dates of Express Payments made in CZK shall be determined as follows, except for Orders with an advanced due date:
- If the Order is submitted on a Business Day before 14:30 hrs, the due date of the Order shall be identical with the date of its submission;
  - Orders submitted on a Business Day after 14:30 hrs shall not be executed as the Bank shall reject it;
  - If the Order is submitted on a day other than a Business Day, the due date of the Order shall fall on the next succeeding Business Day.
- 39.3 An Order for an express payment arranged to the credit of a CZK account kept with the Bank shall be processed as a standard Order for a payment made in CZK.

## Article 40. Orders Submitted Via *MojePlatba* Service

- 40.1 The provisions of these Conditions governing Orders for payments made in CZK shall be accordingly applied to the determining of due dates of payments made based on Orders submitted via this service.
- 40.2 The Client may only use the service if he/she/it has arranged for the provision of *MojeBanka* Internet Banking service. The Client may use this service at merchants that facilitate such payments. A non-authoritative list of the merchants offering the service is available at the Banks Internet pages.
- 40.3 Payments processed via *MojePlatba* service shall not be subject to the multiple-round processing.
- 40.4 The Bank shall not be held liable for cases where the service is not accessible via the merchants' Internet pages.

# NOTICE ON THE PAYMENT SYSTEM

## Article 41. Payments for Mobile Telephone Services

- 41.1 The mobile telephone services consist in making payments to mobile telephone providers in the Czech Republic. The User may only make a mobile telephone bill payment by one-off payment order arranged to the debit of a CZK current Account.
- 41.2 The services related to mobile telephones can only be used in association with services offered by mobile telephone providers in the Czech Republic and, without limitation, to the following extent:
- Recharging of prepaid SIM telephone cards;
  - Payment of mobile telephone bills and increase of security deposits.
- 41.3 The services related to mobile telephones shall not be subject to the multiple-round processing and the Multiple/Multilevel Authorisation. This Order may also be submitted via *Mobilni banka* (Mobile Banking).

## Article 42. Batches

- 42.1 Orders may also be submitted in Batches, specifically the following ones:
- Orders for a payment/collection made in CZK;
  - Orders for a payment and collection in a foreign currency;
  - Orders for an express payment made in CZK;
  - SEPA Direct Debit Collection Orders;
  - Foreign Payments;
  - FX Payments and
  - SEPA Payments.
- 42.2 A single Batch may contain the following combinations of Orders: (i) Orders for a payment made in CZK or in a foreign currency, Orders for a collection made in CZK or in a foreign currency, Orders for an express payment made in CZK, or (ii) Foreign Payments, and SEPA Payments, possibly with FX Payments of a corresponding type, or (iii) FX Payments in a form of Orders for a payment in a foreign currency. A single Batch may contain SEPA Direct Debit Collection Orders, however not in combination with other kinds of Orders. Further information on possible combinations of various types of payments is available in a relevant Handbook and at the Bank's Internet pages.
- 42.3 Batches containing Foreign Payments or FX Payments may only be submitted via *ProfiBanka PB Service* or *Direct Channel PB Service*.
- 42.4 A single Batch may only contain Orders for transferring funds from Accounts, or FX Payments concerning a single Entity. A Batch may only be submitted by a User who has a sufficient User's Account Limit available or, in case of FX Payments, a sufficient Individual FX Payment Limit for clearance of all Orders in the Batch. If the User's Account Limit or Individual FX Payment Limit is lower, the Batch is filed for further authorisation and must be authorised by another User with a sufficient User's Account Limit or, in case of FX Payments, a sufficient Individual FX Payment Limit. In case of the Multiple/Multilevel Authorisation, the appropriate number of Plenipotentiaries must sign the Batch.
- 42.5 Orders for payments to be made in CZK or in a foreign currency, Foreign Payments and SEPA Payments, express payments made in CZK, Foreign Payments and SEPA Payments labelled as "Urgent", FX Payment Orders, and/or Orders for payments to the debit/credit of a term account submitted in a Batch – continuous or batch type of processing – shall always be processed as an on-line Batch. These orders shall be subject to the multiple-round processing.
- 42.6 The types of the Batch processing are following:
- **On-Line** – a processing mode applied to Batches submitted via *MojeBanka Business* Internet Banking or *ProfiBanka PC Banking PB Services*.
    - Orders that do not involve a currency conversion submitted in a Batch before 20:20 hrs shall be subject to the multiple-round processing. If the Orders for a payment to be made in CZK or in a foreign currency that do not involve a currency conversion remain unsettled at their due date after the last round of the multiple-round processing, i.e. by 20:20 hrs, they can be cleared during any further round of the multiple-round processing on 2 succeeding Business Days, however not later than by 20:20 hrs of the last day of the repetition, if sufficient funds are available. All hitherto unsettled Orders in the Batch shall be rejected after the last round of the multiple-round processing at their due date and their processing shall be discontinued. As for the Collection Orders, their execution shall be repeatedly attempted in the standard manner on 4 successive Business Days in the multiple-round processing mode, until the execution preconditions are met. If the preconditions are not met by the aforesaid deadline, these Collection Orders shall be rejected on the next succeeding Business Day. An on-line Batch containing Orders that do not involve a currency conversion may be submitted until 20:30 hrs. A Batch – on-line type – containing Orders for a payment in CZK and/or in a foreign currency from the Payment Account that do not involve a currency conversion may be submitted until 24:00 hrs (12:00 midnight), except for payments to be credited to a credit card account or to accounts other than Payment Accounts.
    - Orders that involve a currency conversion submitted in a Batch before 16:50 hrs shall be subject to the multiple-round processing. After the last round of the multiple-round processing has been performed, i.e. at 16:50 hrs, all hitherto unsettled Orders from the Batch shall be rejected and their processing shall be discontinued.
  - **Continuous** – a processing mode applied to Batches submitted via *MojeBanka Business* Internet Banking or *ProfiBanka PC Banking PB Services*. These Orders are not subject to the multiple-round processing. The Orders shall be sent for clearing at their due date. If they are not cleared at their due date by 18:00 hrs, they shall be sent repeatedly for clearing at their due date at 18:00 hrs; the clearing shall take place after 20:30 hrs. If the Orders for a payment to be made in CZK or in a foreign currency that do not involve a currency conversion still remain unsettled, they can be cleared on 2 succeeding Business Days, always after 20:30 hrs, provided that there are sufficient funds. The other Orders that have remained unsettled may be cleared on the next succeeding Business Day after 20:30 hrs, if there are sufficient funds. Specifically, the execution of the Collection Orders shall be repeatedly attempted at the end of the accounting day and then on 4 successive Business Days, until the execution preconditions are met. If the preconditions are not met by the aforesaid deadline, these Collection Orders shall be rejected on the next succeeding Business Day. A Batch – continuous type – may be submitted until 18:00 hrs. A Batch – continuous type – containing Orders for a payment in CZK and/or in a foreign currency from the Payment Account that do not involve a currency conversion may be submitted until 24:00 hrs (12:00 midnight), except for payments to be credited to a credit card account or to accounts other than Payment Accounts.
  - **Batch-Type** – a processing mode applied to Batches submitted via *MojeBanka Business* Internet Banking, *ProfiBanka PC Banking PB Services* or *Direct Channel PB Services*. These orders are not subject to the multiple-round processing. At their due date at 18:00 hrs, they shall be sent for clearing that shall take place at their due date at 20:30 hrs. If the Orders for a payment to be made in CZK or in a foreign currency that do not involve a currency conversion remain unsettled at their due date, they can be cleared on 2 succeeding Business Days, always after 20:30 hrs provided that there are sufficient funds. The other Orders that have remained unsettled may be cleared on the next succeeding Business Day after 20:30 hrs, if there are sufficient funds. Specifically, the execution of the Collection Orders shall be repeatedly attempted at the end of the accounting day and then on 4 successive Business Days, until the execution preconditions are met. If the preconditions are not met by the aforesaid deadline, these Collection Orders shall be rejected on the next succeeding Business

# NOTICE ON THE PAYMENT SYSTEM

- Day. The Orders shall have no effect on the balance in the Account throughout the Business Day on which the Order shall have become effective, but they shall have an effect on the balance in the Account at the end of such a Business Day. A Batch – batch type – may be submitted until 18:00 hrs.
- 42.7** Due dates of payments made under the Orders that do not involve a currency conversion and are contained in a Batch shall be determined as follows, if the required date of payment (due date) is identical with the date of submission of the Batch:
- If a Batch – continuous or batch type – is submitted on a Business Day between 0:00 hrs (12:00 hrs midnight) and 18:00 hrs or a Batch – on-line type – is submitted on a Business Day between 0:00 hrs (12:00 hrs midnight) and 20:30 hrs, the due date of the relevant Order contained in the Batch shall be identical with the date of submission of the Batch;
  - If a Batch – continuous or batch type – is submitted on a Business Day between 18:00 hrs and 20:30 hrs, the due date of the relevant Order contained in the Batch shall be identical with the date of submission of the Batch. Orders in a Batch processed only in the on-line mode shall be cleared at their due date, the other Orders on the next succeeding Business Day;
  - If a Batch – on-line, continuous or batch type – is submitted on a Business Day after 20:30 hrs, the due date of the relevant Order contained in the Batch shall fall on the next succeeding Business Day;
  - If a Batch is submitted on a day other than a Business Day, the due date of the relevant Order contained in the Batch shall fall on the next succeeding Business Day.
- 42.8** Due dates of payments made pursuant to the Orders that involve a currency conversion and are contained in a Batch shall be determined as follows, if the required date of payment (due date) is identical with the date of submission of the Batch:
- If a Batch – continuous or batch type – is submitted on a Business Day between 00:00 hrs (12:00 hrs midnight) and 17:00 hrs, the due date of the relevant Order contained in the Batch shall be identical with the date of submission of the Batch;
  - If a Batch – on-line, continuous or batch type – is submitted on a Business Day after 17:00 hrs, the due date of the relevant Order contained in the Batch shall fall on the next succeeding Business Day;
- If a Batch is submitted on a day other than a Business Day, the due date of the relevant Order contained in the Batch shall fall on the next succeeding Business Day.
- 42.9** The provisions concerning Batches shall not apply to *Mobilní banka* (Mobile Banking).

## Article 43. Cancellation of Orders

- 43.1** If Orders should be cancelled, a Signature of one Plenipotentiary shall suffice, notwithstanding his/her User's Account Limit or Individual FX Payment Limit, even if the Multiple/Multilevel Authorisation has been arranged. In case of Orders contained in a Batch, this rule shall apply both to the cancellation of only certain Orders in the Batch as well as to the cancellation of the entire Batch.
- 43.2** Submitted Orders cannot be cancelled via the DB Service or in the Client's Point of Sale if already cleared by the Bank.
- 43.3** If a Batch is cancelled, only those Orders that have not yet been cleared shall be cancelled. Each Batch may be cancelled by submitting another Batch consisting exclusively instructions to cancel particular Orders. A PB Services may only be used to cancel a Batch if it has been submitted via the same PB Service in the BEST or EDI BEST format. If a Batch has been submitted in other formats via a PB Service, Orders contained in the Batch may only be cancelled via the Service, *MojeBanka Business Internet Banking* or *ProfiBanka PC Banking PB*.
- 43.4** Separate Orders contained in a Batch – continuous or batch type of processing – that have not been cleared by the Bank on their due date before 18:00 hrs, may only be cancelled at the Client's Point of Sale, though not earlier than on the Business Day following their due date and on the condition that they have not been cleared or rejected by that time.
- 43.5** If a Batch is cancelled on the same day on which it has been authorised, whether by the same User who has authorised it or by another one, the User's Account Limit (or Individual FX Payment Limit) of the User that has submitted the batch and Entity's Limit shall be increased by an aggregate sum of the cancelled payments. If a Batch has been authorised in accordance with the rules of the Multiple/Multilevel Authorisation, only the Entity's Limit shall be increased by an aggregate sum of the cancelled payments as a result of the cancellation of the Batch. The same rules shall apply to the increase of the Entity's Limit in case of the cancellation of separate orders.
- 43.6** The Bank shall be entitled to reject a submitted Order in cases envisaged in the Insolvency Act.
- 43.7** Submitted Orders cannot be cancelled or changed via *Mobilní banka* (Mobile Banking).

## Article 44. Joint Provisions on Terms of the Execution of Orders

- 44.1** The Moment of Effectiveness of an Order submitted via the Service shall fall on the required date of payment (due date) or on another date set forth in this Section (D) hereof, provided that all prerequisites required by the Contract and by law for the execution of the Order have been fulfilled by that time, including sufficient funds available in the Account. Failing this, the Bank shall either reject the Order or, if agreed so with the Client, the Moment of Effectiveness of the Order shall not occur before the day on which all prerequisites required for the execution of the Order are fulfilled. The Bank shall be entitled to contact the User to make sure that an Order has actually been submitted, to send to the User an Authorisation SMS Message repeatedly, or take other additional steps to authorise an Order. The Bank shall be entitled to suspend the execution of an Order (or, in case of a Batch, of certain Orders) and, as the case may be, alter the processing mode, until the additional authorisation is performed. The Bank shall not block the amount of a payment transaction that should have been executed pursuant to a suspended Order.
- 44.2** An Order to the debit of an Account may only be submitted by a User who has a sufficient User's Account Limit or, in case of FX Payments, a sufficient Individual FX Payment Limit; the payment transaction to be executed based on the Order shall be deemed authorised as soon as such User attaches his/her Signature to it (or authorises it via *Mobilní banka* (Mobile Banking)). If an amount of a submitted Order is in excess of the aforesaid limits, such an Order shall be automatically placed on the list of Orders to be authorised. If the Multiple/Multilevel Authorisation has been arranged, an Order in excess of the User's Account Limit or Individual FX Payment Limit shall be placed on the list of Orders to be authorised. The Bank shall not clear such an Order unless it is (countersigned) by all Plenipotentiaries in accordance with the Multiple/Multilevel Authorisation rules.
- 44.3** Orders placed on the list of Orders to be authorised must be authorised by a User with a sufficient User's Account Limit or Individual FX Payment Limit (in case of FX Payments) or, in case of the Multiple/Multilevel Authorisation, by a User or a required number of Users entitled to perform the authorisation, within 30 calendar days of their being placed on the list. The Signature attached to an Order shall be considered as its authorisation.
- 44.4** Payments with an advanced due date may be submitted up to 364 days before the required date of payment (due date). An advanced due date of an Order must not fall on a day that is not a Business Day, except in case of Orders associated with term accounts kept with the Bank.
- 44.5** Upon a submission of an Order, the Bank shall check its formal particulars, in particular the format of the payer's Account number and payee's bank Unique Identifier; make sure whether the amount of the Order is not in excess of relevant limits at the moment the Order is being submitted; and verify the legitimacy of the User's Signature attached to the Order.

# NOTICE ON THE PAYMENT SYSTEM

- 44.6** The Client acknowledges that a payment sent off by the Bank in a currency different from the currency in which the payee's account is denominated does not have to be credited to the payee's account by the payee's bank if such a bank resides in a country that is not a member of the European Economic Area, due to the fact that the currencies are different. In such case, the Bank shall not be held liable for any possible damage suffered by the Client as a result of non-execution of a payment transaction on part of the payee's bank for the aforesaid reason.
- 44.7** The Bank shall not be held liable for the succession in which Orders are cleared, unless the User sets a priority of separate Orders.
- 44.8** The Client shall be informed of clearing of Orders by clearing reports.
- 44.9** If there are insufficient funds at the Moment of Effectiveness of an Order, such an Order shall be transferred to the multiple-round processing mode. All types of Orders shall be subject to the multiple-round processing unless set forth otherwise in this Section (D) hereof or in the Handbooks.
- 44.10** Orders whose due dates fall on a Business Day following a day that is not a Business Day may be processed by the Bank even on days other than a Business Day immediately preceding the due date of the Order. Orders for a payment in CZK and/or in a foreign currency to be debited from the Payment Account that do not involve a currency conversion and are submitted on a day that is not a Business Day, except for payments to be credited to a credit card account or to accounts other than Payment Accounts, shall be processed by the Bank even on days other than a Business Day immediately preceding the due date of the Order. Orders for a payment in CZK and/or in a foreign currency to be debited from the Payment Account that do not involve a currency conversion and are submitted on a Business Day after 20:30 hrs, except for payments to be credited to a credit card account or to accounts other than Payment Accounts, shall be processed by the Bank on the Business Day immediately preceding the due date of the Order. The due date of such an Order shall remain unaltered. The orders processed in this manner cannot be cancelled via a PB Service.
- 44.11** Incoming payments received on a Business Day after 20:30 or outside Business Days increase the Available Balance and can only be used to make outgoing payments based on a submitted Order for a payment to be made in CZK or in a foreign currency that does not involve a currency conversion and/or an Order for an Instant Payment to be made in CZK that does not involve a currency conversion, cash withdrawal through ATM or card payment. In particular, such incoming payments cannot be used for a standing Order for a payment to be made in CZK or in a foreign currency, automatic transfer of balance, payments to a credit card account or to accounts other than Payment Accounts, and for Orders for payments to be made in CZK or in a foreign currency that involve a currency conversion, and Direct Debit Collection Orders processed as a continuous and batch-type Batches that are submitted for clearing at their due date after 20:30 hrs.
- 44.12** If the Entity's Account is taken over by another entity for whatever reason (e.g., as a result of a merger, sale of the enterprise, assignment of rights or assumption of debts), the Entity hereby agrees that the new entity shall have the right to access information on payment transactions executed in the Account before it has been taken over. Such consent shall remain in force even after the discharge/termination of the Contract. Submitted Orders with advanced due dates shall remain unaffected by the takeover of the Account.
- 44.13** The multiple-round processing of the Orders for a payment in CZK or in a foreign currency to be debited from the Payment Account that do not involve a currency conversion, except for payments to be credited to a credit card account or to accounts other than Payment Accounts, shall take place on Business Days and outside Business Days between 0:20 and 23:50 hrs, at least at 60 minute intervals.
- The multiple-round processing of the Orders for a payment in CZK or in a foreign currency that involve a currency conversion, SEPA Payment Orders that involve a currency conversion, and Orders for a payment to be made abroad that involve a currency conversion, shall only take place on Business Days between 8:00 and 16:50 hrs, at least at 60 minute intervals. The multiple-round processing of other sorts of Orders shall only start on Business Days after the beginning of the payment processing and be finished by the time conclusive for determining the due date of each sort of Orders, no later than by 20:20. It shall take place at least at 60 minute intervals. If available funds are insufficient to settle an Order even after the last round of the multiple-round processing of different sorts of Orders, the Order shall be rejected and its processing shall be discontinued. During the multiple-round processing, the sufficiency of funds in the Account necessary for the execution of all sorts of Orders shall always be checked by the below deadlines for determining respective due dates (maturity) stated in different sorts of Orders.
- The FX Payments are not subject to the multiple-round processing at fixed times. The last cycle for the FX Payments processing shall be determined as follows, depending on a type of a required payment:
- In case of "Urgent" Foreign Payments,
    - At 10:00 hrs for payments denominated in HRK, HUF and PLN,
    - at 11:00 hrs for payments denominated in RUB,
    - at 13:00 hrs for payments denominated in CZK, DKK, CHF, NOK, SEK,
    - at 14:00 hrs for payments denominated in CAD, EUR, GBP and USD,
  - At 11:00 hrs and at 14:00 hrs in case of SEPA Payments processed in the "Urgent" mode,
  - At 14:00 hrs in case of Foreign Payments made in BGN, CAD, DKK, GBP, HUF, CHF, NOK, PLN, RON, RUB, SEK and TRY to the credit of an account kept with the Bank's Branch,
  - At 15:00 hrs in case of Foreign Payments made in CZK, EUR and USD to the credit of an account kept with the Bank's Branch, processed in the "Urgent" mode,
  - At 15:00 hrs in case of SEPA Payments to the credit of an account kept with the Bank's Branch, processed in the "Urgent" mode,
  - At 17:00 hrs in case of "Express" Foreign Payments,
  - At 17:00 hrs in case of "Express" SEPA Payments,
  - At 17:00 hrs in case of "Express" Foreign Payments made in AUD and JPY to the credit of an account kept with the Bank's Branch,
  - At 17:00 hrs in case of "Express" SEPA Payments to the credit of an account kept with the Bank's Branch, processed in the "Express" mode,
  - At 17:00 hrs in case of an Order for a payment made in a foreign currency and/or CZK, if the payment is made between accounts denominated in different currencies and kept with the Bank.
- 44.14** If the User executes a conversion transaction, the Bank shall apply to it an Exchange Rate effective as at the Moment of Effectiveness of the Order, even in case of the multiple-round processing. The time of the acceptance by the Bank of the Order will have no effect on the actually applied Exchange Rate, as the Exchange effective at the Moment of Effectiveness may differ from that effective at the time of the acceptance of the Order.
- 44.15** Conversion transactions shall be subject to the multiple-round processing.
- 44.16** The Bank reserves the right to change the times for clearing the Orders for payments made in CZK, Foreign Payments and SEPA payments.
- 44.17** Orders for payments in CZK and/or in a foreign currency, payment Orders abroad, and SEPA Payment Orders submitted through the Payment Initiation Service provider shall not be subject to the Multiple/Multilevel Authorisation and/or multiple-round processing and cannot have advanced due dates.

# NOTICE ON THE PAYMENT SYSTEM

## Article 45. Limits (Caps)

- 45.1 The Entity's Limit, User's Account Limit, MBA User's Limit, Payment Initiation Service User's Limit and Individual FX Payment Limit shall become reduced as from the moment of submission of an Order and restored at 20:30 hrs on each Business Day. Amounts of Orders submitted after 20:30 hrs on a Business Day and Orders submitted on a day other than a Business Day shall be deducted from the respective limits pre-arranged for the next succeeding Business Day. The Client – natural person or Client – Statutory Body may temporarily increase the amount of the Entity's Limit via the Client Line or and *MojeBanka* and *MojeBanka Business* Internet banking services, and if the Bank allows it, by a written request submitted via *MojeBanka*, *MojeBanka Business* and/or *MojeBanka* services. However, the limit shall not be increased until the Bank approves the application and the increased limit shall remain effective until 20:30 hrs of a given Business Day. The Bank may set a ceiling on the Entity's Limit pursuant to its business terms and conditions. The Client may cancel a temporarily increased limit in the same manner as it has been applied for. The Client – natural person or Client – Statutory Body may decrease the amount of the Entity's Limit via *MojeBanka*, *MojeBanka Business* or *Profibanka* services by executing an Amendment to the Contract for the Provision of the Direct Banking. Such an Amendment shall become effective as soon as it is signed via a relevant direct banking service.
- 45.2 Amounts of submitted Orders shall be included in (deducted from) the Entity's Limit and, at the same time, in the User's Account Limit, or the MBA User's Limit, or the Payment Initiation Service User's Limit, and, in case of FX Payments, in the Entity's Limit and Individual FX Payment Limit. However, Orders for transfers of funds between accounts kept with the Bank for the same Client, which includes also accounts kept for him/her as for a Client – consumer and Client – natural person (business), shall not be included in (deducted from) the Entity's Limit or curbed by the amount of the Entity's Limit, either. Orders to purchase securities issued by Funds shall not be included in (deducted from) the Entity's Limit, provided that such Orders are related to the Client's Collective Investment Contract. Furthermore, standing Orders shall not be added included in (deducted from) the User's Account Limit and into the Entity's Limit.
- 45.3 Orders to the credit of a third party's account submitted under the Multiple/Multilevel Authorisation rule shall only reduce the Entity's Limit, while the User's Account Limit and, as the case may be, the Individual FX Payment Limit shall remain unaffected.
- 45.4 A User may only submit a standing payment Order up to the User's Account Limit and Entity's Limit.
- 45.5 A User may only submit a direct debit mandate, SIPO direct debit mandate and direct debit mandate for *O2 – pevná linka* (wire telephone extension) service up to the Entity's Limit. The Entity's Limit shall not be reduced by such an Order.
- 45.6 Any User may submit a Collection Order and/or SEPA Direct Debit Collection Order, regardless of his/her User's Account Limit. Amounts of submitted Collection Orders shall not be included in (deducted from) the User's Account Limit or the Entity's Limit and shall not be curbed by this limit, either.
- 45.7 The User may only make payments for mobile telephone services up to the User's Account Limit or the MBA User's Limit and the Entity's Limit. The User may only make payments submitted via the Payment Initiation Service up to the User's Account Limit or the Payment Initiation Service User's Limit and the Entity's Limit.
- 45.8 In case of Orders for payments in a foreign currency, Foreign Payments, SEPA Payments and FX Payments, an equivalent of a respective amount in a foreign currency expressed in CZK at the moment of the submission of such Orders shall be included in (deducted from) the limits. A KB mean Exchange Rate shall be used for the calculation. If the Client's Account is kept in CZK while a payee's account is kept in a foreign currency, the Bank shall convert the amount of the limit using a the "*Deviza Prodej*" Rate (foreign currency sell rate – cashless).
- 45.9 Amounts of the respective limits shall be reduced by amounts of payments with advanced due dates at the moment of submission of respective Orders.
- 45.10 The User's Account Limit shall always be set as unlimited for a User – Client (natural person).
- 45.11 An FX Payment Order may only be submitted if the Client has entered into a separate contract with the Bank covering the trading in financial markets. Only a User with an Individual FX Payment Limit prearranged shall be entitled to submit an FX Payment via PB Services. The Bank shall set the Individual FX Payment Limit for Users who make FX Payments automatically, according to the following rules:
- The Individual FX Payment Limit For a User – Client (natural person) shall be prearranged automatically at the amount of the Entity's Limit. This setting may neither be changed nor cancelled;
  - The Individual FX Payment Limit For a User – Statutory Body of a Client (legal person) shall be prearranged automatically at the amount of the Entity's Limit. This setting may be changed or cancelled by an Administration Order;
  - The Individual FX Payment Limit for Users – Plenipotentiaries shall not be prearranged. A Plenipotentiary may set, change, or cancel it for a Plenipotentiary by an Administration Order.
- 45.12 If the Multiple Authorisation is arranged for a Client – legal person who already uses the PB Services, the Bank shall automatically set the User's Account Limit and Individual FX Payment Limit arranged for a User – Statutory Body at zero. When the Multiple Authorisation is cancelled, the User's Account Limit and Individual FX Payment Limit arranged for the User – Statutory Body of a Client – legal person shall be automatically set at the current amount of the Entity's Limit. When arranging or cancelling the Multiple Authorisation, the Bank shall not change the currently set User's Account Limit arranged for Plenipotentiaries. The above shall not apply to the Accounts for which the User – Statutory Body has the User's Account Limit preset via an Administration Order.
- 45.13 Orders may be submitted via *Mobilní banka* (Mobile Banking) to the extent of the MBA User's Limit. The Bank reserves the right to reduce, either temporarily or finally, the already set MBA User's Limit, if it is necessary for serious (mostly security and safety) reasons. The Bank shall notify the User of the reduction of the MBA User's Limit without any delay.
- 45.14 Amounts of all Orders submitted by the relevant User via the service shall be deducted from the MBA User's Limit, except for Orders for transfers between the same Client's accounts and between accounts kept with the Bank for the same Client as a consumer and a natural person (business).
- 45.15 Orders may be submitted via the Payment Initiation Service to the extent of the Payment Initiation Service User's Limit. The Bank reserves the right to reduce, either temporarily or finally, the already set Payment Initiation Service User's Limit, if it is necessary for serious (mostly security and safety) reasons. The Bank shall notify the User of the reduction of the Payment Initiation Service User's Limit without any delay. Amounts of all Orders submitted by the relevant User via the service shall be deducted from the Payment Initiation Service User's Limit.
- 45.16 Amounts of all Orders submitted by the relevant User via a direct banking service or via the Payment Initiation Service shall be deducted from the Entity's Limit, except for Orders for transfers between accounts of the same Client, unless these are FX Payment Orders and/or Orders submitted in a Batch.
- 45.17 Orders for transfers between accounts of the same Client submitted by a relevant User through the Payment Initiation Service provider shall also be deducted from the Payment Initiation Service User's Limit.
- 45.18 If the Bank rejects an Order, the Entity's Limit for the given Business Day shall be restored.

## E) PAYMENT SERVICES PROVIDED VIA *EXPRESNÍ LINKA KB* TELEPHONE BANKING

The provision and use of *Expresní linka KB* Telephone Banking is governed by separate Product Terms and Conditions. Unless set forth otherwise in this

# NOTICE ON THE PAYMENT SYSTEM

Section (E), provisions contained in other sections of this Notice shall be accordingly applied to payment transactions executed via *Expresní linka KB* Telephone Banking.

## Article 46. Payment Orders

- 46.1 Any User may submit a Payment Order.
- 46.2 An Order for a payment in CZK or a foreign currency may be arranged to the debit of Client's Accounts, specifically, current or term Accounts, denominated both in CZK and in a foreign currency. An Order for a payment in CZK may be arranged to the credit of an account kept with the Bank or an account kept with another bank in the Czech Republic; an Order for a payment in a foreign currency may only be arranged to the credit of an account kept with the Bank. A payment in CZK made from a foreign-currency Account may be either credited to an account kept with the Bank or to an account kept with another bank in the Czech Republic.
- 46.3 Dates of payments made pursuant to the Payment Orders (due dates), shall be determined as follows, except for Orders with an advanced due date:
- In case of Orders submitted on a Business Day between 00:00 hrs (12:00 hrs midnight) and 20:30 hrs, and of Orders that involve a currency conversion submitted on a Business Day between 00:00 hrs (12:00 hrs midnight) and 17:00 hrs, the due date of the Order shall be identical with the date on which the Order has been submitted;
  - In case of Orders submitted on a Business Day between 20:30 hrs and 24:00 hrs (12:00 hrs midnight), and of Orders that involve a currency conversion submitted on a Business Day between 17:00 hrs and 00:00 hrs (12:00 hrs midnight), the due date of the Order shall fall on the next succeeding Business Day;
  - In case of Orders submitted on other days than Business Days, the due date of the Order shall fall on the next succeeding Business Day;
  - In case of Orders arranged to the credit of a Term Account, the Order shall be settled on the next succeeding Business Day (at the latest);
  - In case of Orders arranged to the debit of a Term Account, the due date of the Order shall be identical with the date on which the Order has been submitted. The Order shall be settled on the next succeeding Business Day (at the latest), provided that the date of submission of the Order is the same as the maturity date of the deposit in the Term Account.
- 46.4 The Moment of Effectiveness of the Order shall occur at the required date of payment (due date) in cases (i) to (iii) or on the Business Day following the required date of payment (due date) in case (iv), however, only if any and all prerequisites are met as set forth by the Contract and by Law for the execution of the Order, including availability of liquid funds in the Account. Failing this, the Bank shall reject such Order or, if so agreed with the Client, the Moment of Effectiveness of the Order shall not occur before the day on which all the prerequisites are met so that the Order can be executed.
- 46.5 Orders for payments in CZK arranged to the debit of current Accounts denominated in CZK may be submitted with advanced due dates, up to 364 days before the required date of payment. Payment Orders with forward due dates may not be arranged to the credit of term accounts kept with the Bank.
- 46.6 A Payment Order with an advanced due date may be cancelled (at the latest) by 20:30 hrs of the Business Day preceding the required date of payment (due date) stated in the Payment Order. Orders submitted via the EL KB Service may only be cancelled in this manner.
- 46.7 If the User executes a Conversion Transaction, the Bank shall use the Exchange Rate effective Moment of Effectiveness of the Order.
- 46.8 If the User's identity is successfully verified, the Bank shall check formal particulars of the Payment Order that is being submitted, in particular the format of the Unique Identifier of the payee, and shall find out whether the amount stated in the Order is not in excess of the Service Limit and, if submitted by a Plenipotentiary, the Account Limit.

## Article 47. Standing Orders

- 47.1 Any User may use this service.
- 47.2 The Service allows for establishing, changing or cancelling a standing order (i) for payment or (ii) relating to an automatic transfer.
- 47.3 When establishing a standing Order, the User must input the following obligatory items:
- Number of the Payer's current Account;
  - Unique Identifier of the payee;
  - The amount that should be regularly transferred, or the required balance to be maintained in the Account, including the increment of the amount transferred, i.e., the minimum amount of the automatic transfer;
  - Frequency of the payments; and
  - The date of the first and last payment to be made under the standing Order, or a date of termination of the validity of the standing Order if the payments should be made in prearranged cycles.
- 47.4 The number of repeated payments cannot be prescribed in standing Orders.
- 47.5 A standing order relating to an automatic transfer (automatic transfer standing order) may be arranged to the credit of accounts kept with the Bank or accounts kept with another bank in the Czech Republic.
- 47.6 The following items in a standing Order may be changed/altered:
- Amount of payment (in case of standing payment Orders);
  - Required balance (in case of automatic transfer standing Orders);
  - Increment of the amount transferred (in case of automatic transfer standing Orders);
  - Payment symbols;
  - Frequency of the standing Order;
  - Description of the standing Order;
  - Date of termination of payments; and
  - Last effective date of the standing Order.
- 47.7 A standing Order may be established, changed or cancelled one Business Day before the required date of payment (due date) at the latest.

## Article 48. Direct Debit Mandate

- 48.1 Any User may use this service.

# NOTICE ON THE PAYMENT SYSTEM

- 48.2 The service includes the direct debit mandate, SIPO payment order (direct debit mandate), and direct debit mandate for the O2 – *pevná linka* (wire telephone extension) service. These orders are not the Orders, i.e., are not payment orders as envisaged by the Payments Act<sup>6</sup>. However, they are authorisations of payment transactions as envisaged therein.
- 48.3 A direct debit mandate may be established, changed or cancelled via the EL KB Service.
- 48.4 When submitting a direct debit mandate, the User must input the following obligatory items:
- Number of the Client's current Account from which the direct debit collection should be permitted;
  - Unique Identifier of the entity entitled to collect funds from the given Account;
  - Maximum allowed amount (limit) of a single collection, rounded to whole Czech crowns; and
  - Minimum number of days between two successive collections credited to the same payee (0 to 364).
- 48.5 The Effectiveness of the orders associated with direct debit mandates, i.e., establishing, cancellation, or change of a limit, shall be determined as follows:
- In case of Orders submitted on a Business Day between 00:00 hrs (12:00 hrs midnight) and 20:30 hrs, the order shall come into effect on the same day;
  - In case of Orders submitted on a Business Day between 20:30 hrs and 24:00 hrs (12:00 hrs midnight), the order shall come into effect on the next succeeding Business Day;
  - In case of Orders submitted on other days than Business Days, the order shall come into effect on the next succeeding Business Day.
- 48.6 The Service allows for establishing, changing or cancelling a direct debit mandate, SIPO payment order (direct debit mandate), and direct debit mandate for the O2 – *pevná linka* (wire telephone extension) service.
- 48.7 The SIPO direct debit collections shall be made in accordance with the terms set forth by the Czech Post (Česká pošta s.p.) in the relevant terms and conditions of payments made under the system of the Central Collection of Household Payments (SIPO).
- 48.8 When submitting a SIPO direct debit mandate, the User must input the following obligatory items:
- Number of the CZK current Account of the payer;
  - Link number of the SIPO payer;
  - Maximum allowed amount (limit) of a single collection in CZK; and
  - Month and year of the first collection.
- 48.9 The limit entered for SIPO direct debits must be rounded off to whole CZK. The maximum limit for individual SIPO payments is CZK 99,998.00.
- 48.10 If a SIPO payment order (direct debit mandate) is submitted to the Bank at least 2 Business Days before the 25<sup>th</sup> day of a calendar month, the first payment may be collected in the following calendar month. If a SIPO payment order (direct debit mandate) is submitted in the given calendar month but after the aforesaid deadline, the first payment shall be collected in the second following calendar month. The same rules shall apply to a change of the maximum limit or cancellation of a SIPO payment order (direct debit mandate).
- 48.11 When submitting a direct debit mandate for the O2 – *pevná linka* (wire telephone extension) service, the User must input the following obligatory items:
- Number of the CZK current Account of the payer;
  - Unique Identifier of the payee (Telefónica O2);
  - Telephone number;
  - Reference number; and
  - Maximum allowed amount (limit) of a single collection in CZK.
- 48.12 In case of the O2 – *pevná linka* (wire telephone extension) service, the Bank shall always forward the instructions concerning the establishing, cancellation or change of limits for direct debit collections to Telefónica O2 on the 24<sup>th</sup> day of a calendar month, if such day is a Business Day, otherwise on the preceding Business Day. Instructions submitted after the aforesaid deadline shall be forwarded to Telefónica O2 on the 24<sup>th</sup> day of the following month.
- 48.13 The minimum limit for a single direct debit collection in case of the O2 – *pevná linka* (wire telephone extension) service shall be CZK 500.00 and must be rounded off to whole CZK.

## F) CHEQUES

The submission/receipt of an Order and Moment of Effectiveness of an Order, as envisaged in this Notice, shall not be construed as an acceptance of the payment obligation arising from a cheque.

### Article 49. Bank Cheques Drawn by the Bank

- 49.1 **Submitting the Orders to draw a bank cheque.** The Client shall submit an Order to draw a bank cheque on a form prescribed by the Bank (Order to draw a bank cheque) or, as the case may be, on forms approved by the Bank in which the data required by the Bank shall be filled in, at any of the Bank's points of sale. A request for drawing a bank cheque may also be submitted via *Moje Banka* or *Moje Banka Business* Internet banking services.
- 49.2 **Drawing a bank cheque.** A bank cheque shall be drawn by transferring funds from the payer's account.
- 49.3 **Deadline for debiting the funds from the Account upon drawing a cheque.** The Bank shall draw a bank cheque and debit the funds from the Account based on an Order to draw a bank cheque delivered to the Client's Point of Sale of the Bank:
- On the Business Day specified by the Client as the due date, if the order includes a due date that has not yet occurred and that falls on a Business Day and the order has been delivered to the Bank before the due date;
  - On the Business Day on which the Bank receives the order, if the order has been delivered to the Bank by 13:00 hrs of the given day and no due date is specified in the order or the due date has already occurred;
  - On the Business Day following the day on which the Bank has received the order, if the order has been delivered to the Bank after 13:00 hrs of the given day and no due date is specified in the order or the due date has already occurred;
  - On the Business Day following the due date specified in the order, if the Client has specified a future due date in the order and the due date falls on any other day than a Business Day.

<sup>6</sup> Act No. 370/2017 Coll., the Payments Act, as amended

# NOTICE ON THE PAYMENT SYSTEM

If the Client wishes to take delivery of a drawn bank cheque in person, the Bank's point of sale shall inform the Client about time of such delivery.

- 49.4 Currency conversion.** When converting a foreign currency, the Bank shall use the Exchange Rate effective at the time the order shall be processed by the Bank, with the exception of Article 49.3(ii) whereby the Bank shall use Exchange Rate valid at the time the order has been accepted by the Bank.
- 49.5** The Bank shall honour cheques drawn by the Bank based on instructions for collection of cheques (Collection Orders) pursuant to Article 50.1 seq. hereof.

## Article 50. Cheques Accepted for Clearance

- 50.1 Cheque collection Order.** A cheque, traveller's cheque or money order (hereinafter in this section "**Cheques to Be Accepted for Clearance**" referred to jointly as the "**cheque**") to be accepted for clearance must be presented to the Bank by the cheque beneficiary, along with a form prescribed by the Bank (Collection Order) or with a form or a covering letter approved by the Bank in which the data required by the Bank are stated. A cheque to be accepted for clearance may be presented at any of Bank's points of sale. Cheques payable at the Bank can be honoured in cash at the Bank's point of sale that accepts and disburses payments in the given currency, or the cheque amount can be transferred to a CZK account kept with another bank in the Czech Republic.
- 50.2** By submitting a Collection Order, the owner of the cheque asks the Bank to mediate the collection of the cheque.
- 50.3** When submitting a cheque to the Bank which should mediate the collection thereof, the holder of the Cheque shall always be obliged to annex to the cheque an enabling endorsement in favour of the Bank with a clause "to be collected" or another clause of a similar legal force.
- 50.4 Honouring a cheque by the Bank.** Unless the Bank decides not to honour the cheque until it receives the amount of the cheque from the drawee (i.e., the person obliged to pay) or the collecting bank, or unless the Client and the Bank agree otherwise, the Bank shall honour the cheque immediately based on a Collection Order delivered to the Bank and shall credit the funds to the Account, pay them in cash in the following manner:
- On the Business Day specified by the Client as the due date, if the order includes a due date that has not yet occurred and that falls on a Business Day and the order has been delivered to the Bank before the due date;
  - On the Business Day on which the Bank receives the order, if the order has been delivered to the Bank by 13:00 hrs of the given day and no due date is specified in the order or the due date has already occurred;
  - On the Business Day following the day on which the Bank has received the order, if the order has been delivered to the Bank after 13:00 hrs of the given day and no due date is specified in the order or the due date has already occurred;
  - On the Business Day following the due date specified in the order, if the Client has specified a future due date in the order and the due date falls on any other day than a Business Day.
- 50.5** If the Bank fails to honour the cheque immediately, it shall honour it after it receives the payment from the drawee or collecting bank and shall subsequently pay the funds to the Client in the manner set forth in the Collection Order, unless the Client and the Bank agree otherwise.
- 50.6 Currency conversion.** When converting a foreign currency, the Bank shall use the Exchange Rate effective at the time the order shall be processed by the Bank, with the exception of the paragraph 50.4 (ii) whereby the Bank shall use Exchange Rate effective at the time the order has been accepted by the Bank.
- 50.7 Protesting a cheque.** If the Client demands that a drawee protest a cheque in case of dishonour of the cheque, he/she must make a formal notice of his/her demand in the instruction for collection of the cheque (Collection Order). In that case, the Client shall be obliged to reimburse the Bank for any costs incurred in association therewith.

## Article 51. Private Cheques of Komerční Banka

- 51.1 Drawing a private cheque.** Private cheques of the Bank may be drawn either in a domestic currency or in foreign currencies, up to the amount of liquid funds in the Account, for the purpose of cashless payment in the Czech Republic or abroad, or of its honouring at a Bank's point of sale that ensures cash payments in the relevant currency.
- 51.2** A cheque must be filled-in consistently in one language (i.e., either in Czech or in English).
- 51.3** A cheque may be drawn to (for the benefit of) a natural or legal person to whom the cheque should be paid, and further to (for the benefit of) its owner (bearer).
- 51.4** If a cheque is drawn to (for the benefit of) a natural person (non-business), the first name and surname of such a person must be stated on the cheque, possibly along with the address of his/her permanent residence.
- 51.5** If a cheque is drawn to (for the benefit of) a natural person (business), either the first name and surname of such a person (for persons not registered in the commercial register) or a trade name (for persons registered in the commercial register) must be stated on the cheque or, possibly, the registered office should be added.
- 51.6** If a cheque is drawn to (for the benefit of) a legal person, an unabridged trade name must be stated on the cheque or, possibly, the name of the legal person and, if applicable, also the address of its registered office.
- 51.7** Before drawing a cheque, the Client shall be obliged to find out whether a proceeding seeking a judgement of insolvency has been instituted against assets/property of the cheque beneficiary or whether the right of disposal over such assets/property has been assigned to a preliminary or insolvency receiver (administrator), in which case the Client shall be obliged to hand over the drawn cheque to the relevant receiver (administrator).
- 51.8 Required particulars of a private cheque.** The cheque must be filled-in in compliance with Article 7 of the General Conditions. The cheque must not be stricken out, rewritten or otherwise corrected.
- 51.9** The cheque must be signed in the field "*signature(s), drawer's designation*" in compliance with the Specimen Signature and with the manner of handling the funds in the Account on which the cheque has been drawn agreed by the Bank and the Client.
- 51.10** To prevent any unauthorised alteration of a cheque, the Bank recommends the following:
- Write an amount of the cheque both in words and figures; start close to the left side of an appropriate field and cross out the unused part of the field or, if the amount is stated in words, add the currency or its abbreviation;
  - Start an amount in words always with a capital letter;
  - If an amount starts with the digit 1, never leave out the word "one" whenever you write it in words in Czech (e.g. „*Jedentisic*" for one thousand);
  - Write the month in the date of drawing/issue in words and years in expanded format (not just last two digits).
- 51.11** A person entitled to handle the funds in the Account may only draw a cheque up to the amount of liquid funds available in the Account. In case of drawing of an uncovered cheque and/or breaching the relevant Contract, the Bank shall be entitled to put a stop on all hitherto unused



# NOTICE ON THE PAYMENT SYSTEM

forms of the private cheques of the Bank.

- 51.12 Payment with a cheque.** When paying with a cheque in the Czech Republic, it is necessary to present properly filled-in cheque signed by the drawer as per the Specimen Signature and the manner of handling the funds in the Account agreed in respect of the given Account, and a valid identity card. The Bank shall be entitled to block funds in the Account provided that the cheque beneficiary makes sure, over the telephone or by fax, whether the cheque is sufficiently covered. The blocking shall last until the cheque is submitted for honouring but not longer than for the period required by law for the presentation of a cheque<sup>7</sup>.
- 51.13** Signatures on private cheques shall be verified against the Specimen Signatures relating to the Account effective as at the date at which the cheque shall be delivered to the place at which it should be honoured.
- 51.14 Honouring a private cheque.** Private Cheques of the Bank shall be honoured and their amount credited to an account of the cheque holder at any point of sale of the Bank.
- 51.15** Private Cheques of the Bank shall be cashed at any point of sale of the Bank that ensures cash payments.
- 51.16** The owner of the cheque must prove his/her identity to the Bank in the manner required by the Bank.
- 51.17** When presenting the cheque to the Bank for honouring, the owner of the cheque shall always be obliged to attach a blank endorsement, i.e., to sign the cheque on the reverse (giro). If the cheque is presented for honouring as part of the service "Disbursement of cash in a sealed envelope", the Authorised Individual shall also be entitled to sign the cheque on the reverse (giro).
- 51.18** If the cheque is to be cashed, the deadlines and measures applicable to cash payments shall apply.
- 51.19 Loss or theft of a cheque.** The Client undertakes to inform the Bank without any unnecessary delay about a loss or theft of a cheque, if possible at the point of sale of the Bank that has issued the cheque, and ensure that all other holders of a chequebook or cheques shall meet the aforesaid obligation. The Client at the same time acknowledges that if such a cheque is subsequently presented to the Bank, the Bank shall be entitled to dishonour such a cheque because it has been declared lost or stolen.

## G) FINAL PROVISIONS

### Article 52. Definition of Terms and Rules of Interpretation

- 52.1** Capitalised terms used herein shall have the following meaning, unless specified otherwise in Articles 51.2 or 51.3 below:
- "Account"** shall mean any current, saving, or term account; for the purpose of making payment transactions via the PB Service or EL KB Service, also the Client's credit account kept with the Bank. However, in Sections (D) and (E) hereof, the Account shall only mean such an account, within the given meaning, which can be operated via the PB Service or EL KB Service, respectively.
- "Authorised Individual"** shall be a person listed in the Client's Specimen Signature pertaining to the Account.
- "B2B"** ("Business to Business") is a Payment Scheme intended for natural persons (businesses) and legal persons that use SEPA Direct Debit.
- "Bank"** shall mean Komerční banka, a.s., registered office at Prague 1, Na Příkopě 33/969, Postal Code: 114 07, IČO (Company ID): 45317054, entered in the Business Register kept by the Municipal Court in Prague, Section B, Insert 1360.
- "Banking Services"** shall mean any banking deals, services and products provided by the Bank based on its banking licence, including investment services provided by the Bank acting as a security broker/dealer.
- "Bank's Branch"** shall mean Komerční banka, a.s., a branch of a foreign bank (Slovakia).
- "Bank's Financial Group Member"** or **"FSKB Member"** shall be Komerční pojišťovna, a.s., IČO (Company ID): 63998017; Modrá pyramida stavební spořitelna, a.s., IČO (Company ID): 60192852; KB Penzijní společnost a.s., IČO (Company ID): 61860018; ESSOX s.r.o., IČO (Company ID): 26764652, Factoring KB, a.s., IČO (Company ID): 25148290, and other entities in which the Bank has or shall acquire an ownership interest consisting in a direct or indirect share in their registered capital.
- "BIC"** shall stand for the Business Identifier Code, a unique international identification code of a particular bank in a particular country.
- "Business Day"** shall mean a day that does not fall on a Saturday, a Sunday, a public holiday or other holidays within the meaning of the applicable law, on which the Bank is open for the provision of Banking Services and on which other institutions that take part in the provision of Banking Services, or on which the provision of the Banking Services depends, are open and provide the relevant services.
- "CID"** shall stand for the Creditor Identifier, a unique identification number of a SEPA direct debit creditor. It consists of 35 characters at a maximum. Any CID for the Czech Republic has 12 characters (fixed) and is issued by Czech National Bank.
- "Client"** shall mean a legal person, natural person (business) or natural person (non-business) that uses Banking Services, or a person requesting the provision of Banking Services.
- "Client's Point of Sale"** shall be the point of sale (branch) of the Bank that keeps an Account for the Client.
- "CORE"** ("Business to Customer") is a Payment Scheme intended for natural persons (non-business and businesses) and legal persons that use SEPA Direct Debit.
- "EEA"** shall stand for the European Economic Area.
- "CNB Clearing Centre"** shall mean the clearing centre of the Czech National Bank that provides for clearing of inter-bank payment transactions forwarded by separate domestic banks through their CZK accounts.
- "Collection Order"** shall have the meaning defined under Article 7.1 hereof.
- "Contract"** shall mean the contract for the provision of a Banking Service entered into by the Client and the Bank.
- "EL KB Service"** shall mean *Expresní linka KB*, a service provided by the Bank to the Client pursuant to the Contract, which makes it possible for the Client to use the services listed in the Terms and Conditions for the Provision and Use of *Expresní linka KB* as part of specific modules of *Expresní linka KB*. The modules are: *Expresní linka KB – Standard*, *Expresní linka KB – For the Minor*.
- "Exchange Rate"** or **"Rate"** shall mean an exchange rate published by the Bank.
- "Foreign Payment"** shall mean an Order for a payment that may be used for (i) a payment made in a foreign currency or in CZK sent to a bank abroad or (ii) a payment made in a foreign currency in the Czech Republic, outside the Bank. A Foreign Payment may be made to the debit of a CZK current Account or a foreign currency current Account. The payments shall be settled (cleared) through reciprocal accounts of the payer and payee's banks or, as the case may be, intermediary banks.
- "IBAN"** shall stand for the International Bank Account Number, i.e. an internationally agreed system of unique identifying of a bank account, bank and payee's or payer's country.
- "Moment of Effectiveness"** shall mean the moment at which an Order is accepted as envisaged by the Payments Act, determined in accordance with this Notice and the Contract, at which all prerequisites shall be met as set forth by the Contract or by law for (i) the

<sup>7</sup> Act No.191/1950 Coll., the Bill of Exchange and Cheque Act, as amended.

# NOTICE ON THE PAYMENT SYSTEM

acceptance of cash and an Order by the Bank (in case of depositing cash) or (ii) the debiting of funds from an Account (in case of cash withdrawal and other Orders), i.e., the moment at which the Bank shall (or should) receive or debit the funds.

“**Notices**” shall mean communications in which further conditions and technical features of providing the Banking Services are specified in accordance with the General Conditions or relevant Product Terms and Conditions. The following documents, without limitation to them, are not Notices: the Notice on Interest Rates, and Bank’s exchange rate list.

“**Order**” shall be a payment order, i.e., an instruction in which the Client asks the Bank to execute a payment transaction.

“**Payment Account**” shall be an Account that is a payment account as envisaged by the Payments Act<sup>8</sup>, i.e., an account used for the execution of payment transactions.

“**Payment Instrument**” shall be a device and/or set of procedures agreed between the Bank and the Client in relation to the Client, by which the Client can submit (initiate) a payment order. A paper-based Order submitted to the Bank shall not be considered, among others, a Payment Instrument.

“**Payment Scheme**” shall be a unified set of rules, procedures and standards/ instructions agreed upon by providers of Payment Services and applicable to payment transactions executed in the European Union and its member states. It is independent of any infrastructure and/or payment system that provides for its operation.

“**Payment Services**” shall be Banking Services falling within the scope of payment services as envisaged by the Payments Act<sup>9</sup> (e.g., money transfers, issuing of payment instruments, withdrawing and depositing cash).

“**Payment Services Contract**” shall mean any Contract (notwithstanding its specific title) for the provision of Payment Services (e.g., a contract for opening and maintaining a current Account or a contract for the issue and use of a payment card).

“**PB Service**” or “**Direct Banking Service**” shall mean any of direct banking (PB) services, i.e., *MojeBanka* Internet Banking, *MojeBanka Business* Internet Banking, *Profi banka* PC Banking, Direct Channel or *Mobilní banka* (Mobile Banking).

“**Product Terms and Conditions**” shall mean Bank’s terms and conditions regulating the provision of separate Banking Services.

“**Proxy**” shall mean a natural or legal person authorised by the Client by power of attorney to represent the Client in relation to the Bank within the scope stipulated by the power of attorney, or authorised to represent the Client under provisions of law or court decision.

“**Qualified Client**” shall be a Client – Consumer with respect to the provision of Financial Services.

“**SEPA Additional Information**” shall mean information set out for payments and collections in the SEPA Payment Schemes.

“**SEPA Area**” consists of member states of the European Economic Area (EEA) and territories that have voluntarily acceded to the SEPA rules. An updated list of all countries that apply the SEPA rules is available at the official website of the European Payments Council: [www.europeanpaymentscouncil.eu](http://www.europeanpaymentscouncil.eu).

“**SEPA Direct Debit Collection Order**” shall have the meaning set forth in Article 38 hereof.

“**SEPA Payment**” is any cashless transfer in EUR whose amount is not limited, specifically between accounts denominated in any currency and kept in the SEPA Area. If a SEPA payment is made between accounts kept with the Bank, the payer and payee’s account must both be denominated in EUR.

“**SEPA Reachable Bank**” is a bank that is a participant in the SEPA Payment Schemes with respect to payments and collections.

“**Specimen Signature**” is a model signature of an Authorised Individual (including a graphic image of the signature) accepted by the Bank, serving for the purposes of his/her identification while handling the funds in the Account, filing an application for the provision of a Banking Service, or taking other agreed-upon steps in association with a Banking Service. The Specimen Signature must have all particulars of a power of attorney.

“**Statutory Body**” is defined, with regard to the executing of payment transactions using the PB Services, in the Terms and Conditions of the Provision and Use of Direct Banking, and with regard to payment transactions executed via the EL KB Service, in the Terms and Conditions of the Provision and Use of *Expresní linka KB* Telephone Banking.

“**Tariff of Fees**” shall mean a list of all charges, other fees and payments for the Banking Services and operations associated with the Banking Services.

“**Transactions outside EEA**” shall mean payment transactions made from or to a country that is not a member of the European Economic Area (EEA).

“**Transactions within EEA**” shall mean payment transactions made from or to a country that is a member of the European Economic Area (EEA).

“**UMR**” shall stand for the Unique Mandate Reference, a SEPA direct debit unique identification code set down by a SEPA direct debit creditor. It must not be longer than 35 characters.

“**Unique Identifier**” shall mean an unambiguous specification of a payment service user and his/her payment account expressed by IBAN (possibly with an account number attached) and/or BIC or another identification of the payee’s bank, or, in case of domestic payments, by an account number and bank code (payment system code)<sup>10</sup>.

“**User**” shall be, for the purpose of payment transactions executed via the PB Service and the EL KB Service, a holder of the Personal Certificate who is entitled to use the PB Service, specifically the Client – natural person, Statutory Body, or Authorised Individual.

**52.2 Terms applicable to the PB Service.** For the purpose of payment transactions executed via the PB Service, capitalised terms used in Section D shall have the following meaning:

“**Available Balance**” shall mean a current balance of the Account, possibly increased by an authorised overdraft or reduced by an amount of funds blocked in the Account, reflecting also transactions executed on the days other than Business Days and on the Business Days after 20:30 hrs, including Instant Payments.

“**Batch**” shall mean a number of Orders in a form of a file (e.g., generated by the Client’s accounting system) in a specific format.

“**Entity’s Limit**” shall mean a maximum aggregate daily amount of funds that may be handled in all current Accounts and/or term Accounts by all Users associated with a given Entity.

“**FX Payment**” shall mean a payment made on the basis of an Order to transfer, from an internal account of the Bank, the funds purchased at an agreed exchange rate under a separate contract covering the trading in financial markets entered into by the Bank and the Client.

“**Handbooks**” shall mean PB Services manuals issued by the Bank, which the Bank shall be entitled to amend, namely: the *ProfiBanka* PC Banking Handbook, Handbook for Users of *MojeBanka* Internet Banking Application, Handbook for Users of *MojeBanka Business* Internet Banking Application, Handbook for Users of the Direct Channel Application, Handbook of the account reporting service, Handbook of the payment initiation service, and Handbook of the service confirming the balance to payment card issuers. The Bank makes the Handbooks public on its Internet pages. The Handbooks are not Notices as envisaged in the General Conditions.

“**Individual FX Payment Limit**” shall mean a maximum allowed daily amount of funds to be handled (disposed of) using an FX Payment.

“**Instant Payment**” shall mean an outgoing or incoming payment in CZK between banks in the Czech Republic, which have accessed to the Instant Payment scheme. As a rule, it only takes a few seconds.

<sup>8</sup> Act No. 370/2017 Coll., the Payments Act, as amended.

<sup>9</sup> Act No. 370/2017 Coll., the Payments Act, as amended.

<sup>10</sup> Decree of the Czech National Bank No. 169/2011 Coll., On the rules for the creation of account numbers for making payments.

# NOTICE ON THE PAYMENT SYSTEM

“**MBA User’s Limit**” shall be the maximum allowed daily amount of funds to be handled by the User via *Mobilní banka* (Mobile Banking) per day. The MBA User’s Limit must not be in excess of the Entity’s Limit.

“**Multilevel Authorisation**” shall mean a setting under which a given number of Users’ Signatures is required on two different levels in case of certain actions, so that PB Services can be used.

“**Multiple Authorisation**” shall mean a setting under which a given number of Users’ Signatures (between 2 and 5) is required in case of certain actions, so that PB Services can be used.

“**Payment Initiation Service**” shall be a service under which a third party entitled to provide such a service shall forward to the Bank, in the Client’s name and via Internet, an Order for a payment from the Payment Account that is accessible via Internet.

“**Payment Initiation Service User’s Limit**” shall be the maximum allowed daily User’s Limit applicable to handling funds using the Payment Initiation Service. This limit may be up to CZK 300,000, however not in excess of the Entity’s Limit.

“**Plenipotentiary**” shall be a natural person other than a Statutory Body and the Client – natural person, who is a Personal Certificate holder entitled to use PB Services to the extent set forth in the Administration Order and Contract.

“**Signature**” shall mean an electronic signature as envisaged in the Contract for the Issue and Use of a Personal Certificate. Its use may depend on other security features.

“**Standard User**” is a User who can independently and in his/her own right handle (dispose of) the funds in the Account and execute FX Payments up to the amount of his/her User’s Account Limit or Individual FX Payment Limit, even if the Multiple/Multilevel Authorisation has been arranged. If the Multiple/Multilevel Authorisation has been arranged, a Standard User may only forward an Order whose amount is in excess of his/her User’s Account Limit or Individual FX Payment Limit for further authorisation to meet the agreed-upon number of Signatures. A Client – natural person shall always be a Standard User.

“**User’s Account Limit**” shall mean a maximum allowed daily amount of funds to be handled by the User himself/herself in all current Accounts and/or term Accounts operated by a User.

“**XAMOS CNB**” shall mean a payment system processing the Instant Payments between banks in the Czech Republic, which have accessed to the Instant Payment scheme.

**52.3 Terms applicable to the EL KB Service.** For the purpose of payment transactions executed via the EL KB Service, capitalised terms used in Section E shall have the following meaning:

“**Account Limit**” shall be the maximum allowed amount of funds in the User’s Account to be handled per day by the User – Plenipotentiary via the EL KB Service.

“**Plenipotentiary**” shall be a natural person who has entered into the Contract for the Provision of *Expresní linka KB* Internet Banking and is authorised by the Client based on a power of attorney to use the Service EL KB.

“**Service Limit**” shall be the maximum allowed amount of funds to be handled per day via the EL KB Service.

**52.4** Unless the context suggests otherwise, the following rules shall apply to the interpretation of this Notice and the Contract:

- a) The term “bank” shall include any and all providers of payment services as envisaged in the Payments Act<sup>11</sup>;
- b) A “required date of payment” or “due date” shall mean the date specified by the Client in an Order as the day of deducting the funds from an Account or withdrawing cash;
- c) “Clearance” or “settlement” (of Orders) shall mean crediting/debiting of funds to/from an account;
- d) The “Contract” shall mean the Contract itself including any and all constituent parts thereof, in particular the General Conditions, this Notice, potential Product Terms and Conditions, other Notices and Tariff of Fees;
- e) A “transaction inside the EEA” shall mean any transaction whereby the payer and payee’s accounts are kept in a member state of the European Union or in a member country of the European Economic Area (EEA). The transaction inside the EEA shall include also domestic payment transactions;
- f) A “payment transaction” or “transaction” shall mean depositing of funds into an Account or withdrawal of funds from an Account, or a cashless transfer of funds to or from an Account;
- g) An “order” shall mean the “Order” or another instruction given by the Client to the Bank;
- h) Terms, conditions and prerequisites of the execution of an Order shall include, above all, all particulars of an Order as specified under Article 7 of the General Conditions or relevant Product Terms and Conditions, payer’s consent to a payment transaction pursuant to Article 14 of the General Conditions or Article 17.5 seq. hereof, and fulfilment of the terms and conditions set forth in this Notice and relevant Product Terms and Conditions;
- i) Any reference to Bank’s Internet pages shall mean a reference to [www.kb.cz](http://www.kb.cz), [www.mojebanka.cz](http://www.mojebanka.cz), or other Internet addresses the Bank currently uses or shall use in association with providing the PB Service or EL KB Service.

## Article 53. Transitory Provisions

**53.1** Not arranged.

## Article 54. Final Provisions

**54.1** This Notice repeals and replaces the Notice on the Payment System effective from 01 April 2019.

**54.2** This Notice comes into effect as of 17 August 2019, except the provisions governing the Instant Payments, which shall come into effect as soon as the service becomes available.

<sup>11</sup> Act No. 370/2017 Coll., the Payments Act, as amended.

# NOTICE ON THE PAYMENT SYSTEM

## Annexe: Procedure of Filling in the Bank's Private Cheques

Procedure of Filling in Private Cheques of Komerční Banka, a.s.

**KB Komerční banka, a.s., Na Příkopě 33, 114 07 Praha 1, Czech Republic**

Zaplatte za tento šek 00000000  
Pay against this cheque

Číslo slovy | Amount in words (1)  
*Jedem tisíc dvě stě padesát šesti Kč*

Měna | Currency Částka | Amount (3)  
*Kč = 1.256,- =*

Číslo | (2)  
*Barry Laky, s.r.o. Dlouhá 25, Kladno*

Místo vystavení | Place (4)  
*Plzeň*

Datum vystavení | Date  
*15. června 2010*

Podpis | ozaření vystavce | Signature (5)  
*[Signature]*

Za 0989503 TESTOVACÍ KLIENT

ACCOUNT No.	BANK CODE	AMOUNT	CHEQUE No.	CODE
ČÍSLO ÚČTU	KÓD BANKY	ČÁSTKA	ČÍSLO ŠEKU	KÓD
23242602970000100>			00000000>	

TOTO PŮLE LASKAVĚ NEPOPSUJTE ANI NEZATYKUJTE, JE URČENO K AUTOMATICKÉMU ZPRACOVÁNÍ ŠEKU IHO VÍSTROU OR STAMPING IN THIS SPACE

1. Fill in the amount of the cheque in words.
2. Specify the name, trade name, or first name and surname of the cheque amount beneficiary, or also the address of the registered office or permanent residence.
3. Fill in the denomination of the currency (in case a foreign currency, state also the ISO code) and the amount of the cheque in digits (should be identical to the amount set out in words).
4. Specify the place and date of drawing.
5. Sign the cheque as per the Specimen Signature relating to the Account.