

**Article 1. Introductory Provisions**

- 1.1 The below Terms and Conditions of the Provision and Use of EDI KB (hereinafter the "**Conditions**") represent the Product Terms and Conditions as foreseen by the General Business Terms and Conditions of the Bank (hereinafter the "**General Conditions**"). The Conditions form part of the Contract and the Client is obliged to familiarise himself/herself with them and comply with them.
- 1.2 Terms in the Conditions that begin with a capital letter have the meanings defined in Article 12 of these Conditions.
- 1.3 Transactions made under the payment system via the Service shall be governed by the Notice on the Payment System, unless indicated otherwise herein.

**Article 2. Service**

- 2.1 The Service makes it possible for the Client to interchange data with the Bank regularly, in the form of electronic messages in a format stipulated by the Contract.
- 2.2 The Bank provides the Service to the Client on the basis of the Contract. The Contract is governed by the law of the Czech Republic. The necessary pre-requisite for the Service to be provided is that:
  - The Client is the owner of a current account in Czech crowns kept with the Bank,
  - The User has presented his/her Public Key to the Bank,
  - The Client has been provided with the EDI application,
  - The Client has adjusted his EDI application to the Bank's security requirements,
  - The Client has been connected to the Service via a connection approved by the Bank (i.e. via a selected provider or via a direct connection to a private data network of the KB, via an ISDN line, or via the Internet network).
- 2.3 Following types of EDI messages can be sent by means of the Service: PAYMUL/D, PAYMUL/Z, PAYMUL/S, DIRDEB, CREMUL, DEBMUL, FINSTA, BANSTA and QUOTES. The Client shall ensure that the supplier of his/her EDI application makes available all types of EDI message. If some types of message are not available, the Client shall not be able to use them as part of the Service.
- 2.4 By signing the Contract, the Client confirms that he/she is acquainted with the EDI KB User Materials and agrees that he/she shall abide by their provisions. The Bank shall notify the Client in writing of any change to the EDI KB User Materials not later than one (1) month before such changes come into effect and, in case of the EDI KB Subsets manual, no later than three (3) months before the changes come into effect.
- 2.5 The Client may use the Service to operate all accounts kept for him/her by the Bank, with which the Service can be provided, except the accounts the Client indicates to the Bank as those he/she does not wish to be linked to the Service.
- 2.6 The Client pays fees for using the Service in compliance with the Contract and Tariff of Fees.
- 2.7 The Bank shall only conclude the Contract with the Client if he/she has at least one current account kept with the Bank in Czech crowns. The Bank shall charge the Client the fees for using the Service and other fees according to the Contract and Tariff of Fees, including fees for use of the Service by the Users. The fees shall be debited to a Czech-crown current account identified by the Client in the Contract.
- 2.8 The Client uses the Service through the agency of Users.
- 2.9 The Service is accessible round the clock (24 hours a day) on Business Days. On other days, the Service is accessible according to the Bank's actual operating conditions. The Bank reserves the right to block access to the Service or to change or suspend the provision of the Service for as long as necessary (i) if it is inevitable for serious reasons, in particular for security reasons, or (ii) in case of a substantial risk that the Client may not be able to repay the credit he/she is entitled to draw using the Orders submitted via the Service. The Bank shall inform the Client of this fact and its reasons in advance, or if this is not possible, immediately afterwards by telephone, fax, e-mail or registered letter. The Bank

- shall be further entitled to block access to the Service or suspend the provision thereof in cases envisaged by the Insolvency Act<sup>1</sup>.
- 2.10 The Bank shall only accept data sent by the Client for processing if they are formally correct and complete; contained in messages in the agreed format; and secured in accordance with the Contract and the rules stated in the document EDI KB System Security.
- 2.11 The Client may use the Service jointly with other direct banking applications. Orders sent via the Service can be viewed, but not changed or cancelled (withdrawn), in direct banking applications.
- 2.12 Clients' messages are received by the Bank's EDI server. After the Bank has received a message, the Client is sent a DELIVERY REPORT message. While a message is being processed by the Bank's EDI server, an AUTACK message is also sent together with a message containing positive or negative notification, informing the Client whether the EDI server processed the message successfully. Messages delivered to the Bank are then sent to the application server, which is a joint server for the Bank's direct banking applications. On the application server the messages are verified and the result of the verification is immediately sent back to the Client in the form of a BANSTA message. The individual Orders that have been delivered in a message are then forwarded from the application server for settlement.
- 2.13 A message sent via the Service is considered to have been delivered to the recipient if a DELIVERY REPORT message sent by the recipient's communication device is received by the sender's communication device. The time of delivery of a respective message is considered to be the time at which the DELIVERY REPORT was issued by the recipient. The provisions contained in the previous sentence only apply if the sent messages are error free, i.e. the sender receives affirmative notification of his/her message from the Bank.
- 2.14 If the message is not delivered, the Client shall receive a NONDELIVERY REPORT. This contains the code of the error according to the X.400 standard. The cause of the error may lie with the Client - sender, the connection provider, or the recipient. The Client's software shall reveal where the error occurred.

**Article 3. Orders**

- 3.1 The Client may submit Orders to the debit of current Accounts or term Accounts. Payment transactions executed on the basis of Orders are authorised by annexing a Digital Signature to an Order.
- 3.2 The Service may not be used to submit payment orders to be debited to credit accounts, or prompt payments.
- 3.3 The Bank shall reject Orders with a required date of payment (due date) falling on a non-Business Day.
- 3.4 The Client shall only be entitled to cancel (withdraw) Orders delivered to the Bank if they are accessible to the Bank's application server and have not yet been passed to the Bank's central clearing for settlement. The Client can check this by calling 485 262 955 (option 2), or other telephone number communicated by the Bank.
- 3.5 Via the Service The Client shall be entitled to cancel (withdraw) Orders and Orders for foreign payments no later than on the Business Day preceding a required date of payment (due date). Instructions for the cancellation of Orders must be sent in a message containing solely instructions for the cancellation (withdrawal) of Orders. One message may not contain more than 1,000 instructions for the cancellation (withdrawal) of Orders.
- 3.6 The Service may not be used to cancel Orders at the required date of payment (due date).
- 3.7 In case of a shortage of funds at the moment of the processing of
  - Express payments in Czech crowns,
  - Foreign Payments,
  - SEPA EuroPayments
  - FX payments,

<sup>1</sup> Act No. 182/2006 Coll., On Bankruptcy and Its Resolution (Insolvency Act), as amended.

- Orders for transfers in a foreign currency (with the exception of payments between accounts held with the Bank in the same currencies)

- Orders to the debit and credit of term accounts

in a relevant Account, the Bank shall process the Orders in the multi-round processing mode. The multi-round processing takes place on Business Days at 8:00, 8:50, 9:50, 10:50, 11:50, 12:50, 13:50, 14:50, 15:50, 16:00, 16:50 and 17:30 hrs. In case that even after the last round of the processing there is not enough funds to execute the Order, the Order shall be rejected.

3.8 The last round for the processing of a respective Order shall be:

- at 12:50 for express payments in Czech crowns,
- at 11:50 for Foreign Payments including FX payments classified as "urgent",
- at 14:50 for Foreign Payments (except payments to EEA countries made in EUR), including FX payments,
- at 16:50 for Foreign Payments made in EUR to EEA countries, including FX payments,
- at 16:50 for SEPA EuroPayments, including FX payments,
- at 17:00 for orders to perform an FX payment within the Bank,
- at 17:30 for Orders for transfers in a foreign currency (with the exception of payments between accounts kept with the Bank in the same currencies) and any other Orders, unless stipulated otherwise herein.

3.9 Orders given to the Bank via the Service shall be included into the Entity's Limit.

3.10 The Moment of Effectiveness of an Order submitted using the Service shall fall on the required date of payment (due date) or on another date set forth in these Conditions, provided that all prerequisites required by the Contract and by law for the execution of the Order are fulfilled, including sufficient funds available in the Account. Failing this, the Bank shall either reject the Order or, if agreed upon 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 shall be fulfilled.

3.11 The Bank shall be entitled to reject a submitted Order in cases envisaged by the Insolvency Act.

3.12 In the case of Conversion transactions, the Bank shall use the Exchange Rate valid at the Moment of Effectiveness of an Order for conversion of currencies, unless agreed upon otherwise by the Client and the Bank. The Rate to be used does not depend on the time of the confirmed delivery of the Order by the Bank. In case of Orders with an advance payment date, the Bank shall use the first Exchange Rate valid on the required payment date (due date) unless an exchange rate deal has been executed between the Bank and the Client, as indicated in the "purpose of the payment" comment.

3.13 An Order must be duly completed and must contain all required particulars; failing this, the Bank shall reject it.

#### **Article 4. Domestic Payments**

4.1 The Client may use the Service to send a Payment order in CZK. A Payment order in CZK can be used for a payment in CZK submitted to the debit of a current Account held in CZK in favour of an account held with the Bank in CZK or in favour of an account held in CZK with another bank in the Czech Republic. The Client sends Orders to the Bank by means of the PAYMUL/D EDI message. Each PAYMUL/D message may contain 999,999 Orders. In each message the Client may send Orders to be debited to several Accounts in favour of a variety of recipients. Orders with advance payment dates can be submitted up to 364 days before the required date of payment (due date). Data for more than one Subject may not be sent in a single PAYMUL/D message.

4.2 The Client may use the Service to send a Payment order in a foreign currency. A Payment order in a foreign currency can be used (i) for payment between accounts held with the Bank in the same or different currencies, with the exception of cases when the payer's Account and the payee's Account are held in CZK, or (ii) for payment to a different bank in the Czech Republic submitted to the debit of a current Account held in a foreign currency. A Payment order in a foreign currency outside of the Bank is handed

on for clearing to the clearing centre of the Czech National Bank, and is thus always implemented by the Bank in CZK regardless of the currency of the Account, which is debited by the Order.

The Client sends the Bank Payment orders in foreign currency via the EDI message PAMUL/Z with the exception of payments between accounts held with the Bank in the same currencies by Clients with the EDI application from Editel CZ, s.r.o., when it is necessary to send the payment with the aid of the message PAYMUL/D. One PAYMUL/Z and PAYMUL/D message may each contain 999,999 Orders. The Client can use one message to send Orders to debit several Accounts in favour of various payees. Payments with advance maturity can be entered up to 364 days before their maturity date. Data for more than one Entity cannot be sent in one PAYMUL/Z and PAYMUL/D message.

4.3 The Client may use the Service to send a collection Order in CZK or in foreign currency. A collection Order in CZK can only be submitted in favour of the Client's current Account from accounts held with the Bank in CZK or from accounts held by other banks in the Czech Republic in CZK.

A collection Order in foreign currency can only be submitted in favour of the Client's current Account from an account held with the Bank in the same foreign currency (depending on the type of account permitted by the Bank for performance of collection payments).

The Client sends collection Orders to the Bank by means of the DIRDEB EDI message. Each DIRDEB message may contain up to 999,999 collection Orders. The Client-recipient may collect funds from accounts kept with other banks, collection in foreign currency is only possible from accounts kept with the Bank.

In each message the Client may send collection Orders to be debited from several accounts and to be credited to a variety of the Client's Accounts. Collection Orders with advance payment dates may be submitted up to 364 days before the required date of payment (due date). Data for more than one Subject may not be sent in a single DIRDEB message.

4.4 Collection Orders arranged to the debit of accounts kept with other banks must be delivered to the Bank at least one Business Day before the required payment dates, by 17:45 at the latest. A collection Order from accounts kept with the Bank may be submitted on the due date by 17:45 at the latest. The due date of a collection Order shall be the date on which funds are to be deducted (debited) from the payer's account.

4.5 If the Client wishes to send to the Bank more than 10,000 Orders contained in a PAYMUL/D or DIRDEB message during a single day, he/she shall send the relevant messages in a special mode. This mode is to be agreed with the Bank in the relevant agreement on the number and frequency of data interchanged by EDI KB. If, contrary to the relevant agreement on the number and frequency of data exchanged within EDI KB, the Client delivers to the Bank, by means of PAYMUL/D or DIRDEB messages, Orders whose total amount is in excess of 10,000 in aggregate and within one day, or if he/she does not have such an agreement with the Bank, the Bank shall not be bound by the time deadlines under these Conditions when settling Orders that exceed the prescribed limits. The Bank shall be entitled to reject Orders that exceed the prescribed limits or execute them on the following Business Day, if the Moment of Effectiveness of an Order falls on such day.

4.6 Payment Orders in CZK and payment Orders in a foreign currency (for payments between accounts held with the Bank in the same currencies) delivered to the Bank on a Business Day by 17:45 (with the exceptions set out in Articles 4.12 and 4.14 hereof) shall be settled immediately following their delivery if the date of delivery is the same as the required date of payment (due date). The Moment of Effectiveness of Orders delivered to the Bank on a Business Day after 17:45 shall fall on the following Business Day. Payment orders in a foreign currency (for payments between accounts held with the Bank in different currencies and for payments to other banks in the Czech Republic) must be delivered to the Bank by 20:15 at the latest on their maturity date. The Moment of effectiveness of Orders delivered to the Bank after 20:15 occurs on the following Business day.

4.7 If Orders cannot be settled (executed) at the required date of payment (due date) by 18:00 due to a lack of funds in a relevant Account, the processing of the Orders shall be delayed and the Orders shall be processed overnight. If, still, no liquid funds are

available in the Account, the Bank shall place these Orders into the File and the Moment of Effectiveness of such Orders shall not occur before the day on which all prerequisites required for the execution of the Order shall be fulfilled, as agreed upon with the Client.

- 4.8 The Bank shall inform the Client whether an Order has been accepted for processing or rejected, by a BANSTA message. In the BANSTA message, the Bank shall also send to the Client information on the Order's inclusion in/removal from the File, and shall do so on the calendar day following the payment's settlement/attempted settlement. If the Bank does not settle the payment due to a lack of funds available in the Account, the Client shall not send a new Order until he/she receives a BANSTA message containing the information that the original Order has been rejected. Until the Order is rejected and removed from the File, the Client may, at the Bank's point of sale that keeps the relevant account, agree on a manner of further processing of the Order in question.
- 4.9 The Client may send to the Bank the following Orders to the debit or, in case of collection, to the credit of the Accounts:
- Orders for payments made in CZK to be credited to current and deposit accounts,
  - Orders for payments made in CZK to be credited to term accounts kept by the Bank for the Client,
  - Orders for payments made in CZK to be credited to CZK accounts kept by other banks in the Czech Republic,
  - Orders for payments made in a foreign currency to be credited to term accounts kept by the Bank for the Client and denominated in the same currency,
  - Orders for payments made from an Account denominated in a foreign currency to another account denominated in the same foreign currency and kept with the Bank. The Orders must be sent in a separate message (i.e., not in the same message together with Orders for payments made in CZK, etc.), if the Client uses the EDI application provided by Editel CZ, a.s.),
  - Collection Orders in CZK to be debited from an account kept by the Bank and credited to the Account,
  - Collection Orders in CZK to be debited from accounts kept by other banks in the Czech Republic and credited to the Account.

#### **Express Payment in Czech Crowns (Express Payment Order Denominated in Czech Crowns)**

- 4.10 The Client may use the Service to send an express payment in Czech crowns to another bank in the Czech Republic.
- 4.11 Express payments in Czech crowns can only be arranged in a separate message that does not include other Orders not classified as express Orders. An express Order denominated in Czech crowns must not be delivered to the Bank later than by 12:30 on the required date of payment (due date). Failing this, the Bank shall be entitled to process the Order as a standard Order denominated in Czech crowns or to reject the Order and make no payment. Express payment Orders with advance payment dates denominated in Czech crowns may be sent at any time.
- 4.12 An express payment in Czech crowns may only be made from a current Account denominated in Czech crowns, either with or without confirmation. If the recipient's bank does not have its own SWIFT (BIC) code or the SWIFT (BIC) code is not active, the Bank shall process the express payment in Czech crowns without a confirmation for the recipient's bank, even though the confirmation has been required. The fee for such an express payment in Czech crowns shall correspond to the fee for an express payment in Czech crowns without confirmation and the required confirmation shall not be sent. An express payment with required confirmation sent to a beneficiary's bank, which does not process such reports for its clients, is handled in the same way.
- 4.13 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, however only if such Order is delivered by 12:30. In such case, the due date of the Order shall be identical with the date at which the Order has been delivered. If it is delivered after 12:30, the Bank shall be entitled to process the Order as a standard Order for a payment made in CZK or reject it and not to make the payment.

#### **Payment to the Credit or to the Debit of Term Accounts**

- 4.14 Orders arranged to the credit of term accounts kept with the Bank must bear a required payment date (due date) identical to the due date (date of renewal) of the deposit in the term account. If the due date (date of renewal) of the deposit in the term account falls on a non-Business Day, the Order must be delivered to the Bank by 20:15 of the last preceding Business Day at the latest. If an Order delivered to the Bank is inconsistent with the above terms and conditions, the Bank shall be entitled to reject it.
- 4.15 Orders with the current due date (i.e., Orders whose of required date of payment (due date) is identical with the date of its being sent off) arranged to the debit or to the credit of term Accounts must be delivered to the Bank by 20:15 of the required due date at the latest. The Bank shall be entitled to reject Orders received after the aforesaid deadline.
- 4.16 Orders arranged to the credit or to the debit of term accounts in Czech crowns or in a foreign currency may be executed only between Client's accounts, while both accounts (i.e. the Account from which the funds are transferred and that to which the funds are sent) must be kept in the same currency.
- 4.17 The Client may only execute one Order a day to the debit of a term Account, either in Czech crowns or in a foreign currency. Whether the Order is to be executed by means of the Service or in another way is not relevant.
- 4.18 The Service cannot be used for an early withdrawal of a whole deposit or a part thereof from the term Account. In case of an elapse of the deposit term, the funds may be transferred on the Business Day following after the elapse of the deposit term. Interest accrued for the last interest period cannot be transferred on the due date (date of renewal) of the deposit kept in the term Account.
- 4.19 In case of automatically renewed deposits, it is possible to draw the balance of the deposit by means of the Service so that the final balance in the term Account shall be at least equal to the minimum allowed balance as set forth in a relevant contract for the opening and maintaining of the term Account. The Service cannot be used to cancel a term Account.

#### **Article 5. Foreign Payments**

- 5.1 The Client shall deliver sends Foreign Payments to the Bank via a PAYMUL/Z or PAYMUL/S message. Each PAYMUL/Z or PAYMUL/S message may contain 999,999 Foreign Payments. The Client may include Orders arranged to the debit of several Accounts and to the credit of a variety of recipients in a single message. Orders with advance payment date may be submitted up to 364 days before the required payment date. A single PAYMUL/Z or PAYMUL/S message must not contain data related to for more than one Subject.
- 5.2 The Client may use the Service to send Foreign Payments including FX payments classified as "express" or "urgent". Foreign Payments credited to accounts kept with the Bank's Branch shall always be processed by the Bank as "urgent" Orders regardless of their designation.
- 5.3 Foreign Payments in selected currencies classified as "urgent" must be delivered to the Bank:
- by 11:45,
  - by 13:45 in a foreign currency and in Czech crowns, if they are arranged to the credit of an account kept with the Bank's Branch,
- on the relevant Business Day on which the Orders fall due.
- Foreign Payments including FX payments classified as "express" (except payments to EEA countries made in EUR) must be delivered to the Bank by 14:45 of the relevant Business Day on which the Orders fall due.
- Foreign Payments to EEA countries, including FX payments, classified as "express" and made in EUR must be delivered to the Bank by 16:45 of the relevant Business Day on which the Orders fall due.
- The Moment of Effectiveness of Orders delivered to the Bank in accordance with these Conditions shall succeed immediately after the delivery of such Orders. The Bank shall be entitled to reject

Orders delivered to the Bank after the deadline set forth for a respective type of payment.

- 5.4 FX payments to be executed within the Bank must be delivered to the Bank in a separate message by 16:45 of the relevant day on which they fall due.
- 5.5 The Client shall inform the Czech National Bank of Foreign Payments that are subject to reporting duty as required by law.

#### **SEPA EuroPayment**

- 5.6 The Service may be used to submit a SEPA EuroPayment Order.
- 5.7 The following rules shall apply to the execution of a SEPA EuroPayment Order, except for Orders with advance payment dates:
- if a SEPA EuroPayment Order is delivered on a Business Day before 16:45, the required date of payment (due date) shall be the same as the delivery date,
  - if a SEPA EuroPayment Order is delivered on a Business Day after 16:45, the Bank shall be entitled to reject the Order.

### **Article 6. Notices**

#### **Advice Notes**

- 6.1 The Bank shall send to the Client information on settlement of Orders delivered to the Bank by 17:45 in the course of a relevant Business Day, by means of an advice note in DEBMUL or CREMUL messages.
- 6.2 The Bank shall send a credit advice, debit advice or both kinds of advice notes according to the Client's requirements at an agreed time between 8:00 and 18:00 on a relevant Business Day, but not more often than 10 times daily. The Bank shall send advice notes on each Subject separately.
- 6.3 The Bank shall always send information on the non-execution of payments for a relevant Business Day by means of a BANSTA message on the following calendar day.

#### **Settlement Messages (Account Statements)**

- 6.4 The Bank shall send Account statements to the Client in a FINSTA message. Each FINSTA message shall contain information on the settlement concerning Client's all Accounts. A FINSTA settlement message is created on a daily basis independently of any changes of an Account balance and/or executed transactions. The Bank shall always send the FINSTA message for a relevant Business Day on the following calendar day, approximately between 06:00 and 08:00.
- 6.5 If the Client fails to meet the terms and conditions of a credit contract entered into by the Bank and the Client, the Bank shall not be obliged to provide, as part of a FINSTA message, any information on the settlement of credit repayments or a notice on the credit account balance with respect to repayments of credit, interest and fees.
- 6.6 The sending of a FINSTA message does not affect the Bank's obligation to send Account statements to the Client in accordance with the relevant contract for the opening and maintaining of the Account.

#### **Exchange Rate List**

- 6.7 The Bank shall send to the Client the currently valid exchange rate list of the Bank in a QUOTES message. The exchange rate list contains rates of currencies that traded by the Bank.
- 6.8 The Bank shall send the exchange rate list twice a day, with the morning report being distributed at 7:00 and the evening report at 18:00 unless agreed otherwise.
- 6.9 In case of extraordinary market fluctuations, the exchange rate list may also be sent at irregular intervals during a Business Day.

### **Article 7. Complaints and Information on the Orders**

- 7.1 The Client may lodge complaints concerning the Service with the Client's Point of Sale, at the telephone number 955 551 553 or at

the fax number 955 533 959, use other numbers communicated by the Bank, or send an e-mail at the address sluzby\_pb@kb.cz.

- 7.2 Complaints made over the telephone must be subsequently confirmed in writing. If so requested in a telephone complaint, the Bank shall provide the Client with information on the date, time and code of the telephone conversation and, if need be, with other agreed information.
- 7.3 The Client and the Bank have agreed that, in the event of a dispute over messages that have been sent or delivered or a dispute on the manner in which the sent messages have been processed and on the result of their processing, they shall respect relevant objective findings in the systems of both contracting parties. Furthermore, the Bank shall investigate the subject of the dispute with all means at its disposal. Only the messages, concerning which the relevant party received a DELIVERY REPORT message, AUTACK message, and affirmative notification from the EDI server, may be subject of a dispute.
- 7.4 While investigating a dispute over messages sent or delivered, the Client and the Bank shall abide by a mutual agreement on resolving identified causes of the dispute (e.g., by repeated sending of the data, verification of the status of the sent data at the relevant connection provider, supplying additional information concerning the conversion of the sent data, etc.) with the aim of minimizing possible negative impacts on the Service's operation.
- 7.5 Any questions concerning Orders sent via the Service should be directed to the telephone number 955 551 553 (option 2) or to another number communicated by the Bank.

### **Article 8. Security of the Service**

- 8.1 Each message sent by the Client comes with his/her Digital Signature attached, which is used to confirm the identity of the person that has signed the message and to show that the message to which the Digital Signature is attached has not been altered. Messages sent by the Bank to the Client are secured in a similar manner.
- 8.2 The Digital Signature is created with a help of the Private Key. The Client is responsible for creating his/her pair of Public and Private Keys. The Bank shall issue a Certificate to the User on the basis of the Public Key that the Client has created and supplied to the Bank. The Certificate may only be used by the User. The Client may create more than one pair of Public and Private Keys. On the basis of the Public Keys supplied by the Client, the Bank shall issue a requisite number of Certificates for a variety of Users.
- 8.3 Messages signed by means of the Client's Private Key are binding for the Client. If the Client's Certificate is nullified, the Client shall not be able to use the Service.
- 8.4 The Client is responsible for the choice and use of a public data network; the Bank is not liable for any damage that the Client may incur in connection with the data transfer. The Client confirms to be fully aware of the risks involved in using the public data network to transfer information on banking (financial) operations.
- 8.5 The Bank shall be liable for any damage the Client incurs in association with the provision of the Service from the moment the Bank confirms the receipt of the data received from the Client as complete and correct via the BANSTA message sent to the Client. The Bank shall be liable for any damage caused as a result of a misuse of the Service by an unauthorised person after the Client has delivered to the Bank a relevant request for an early cancellation of the EDI KB system Client's Certificate. The Bank shall not be held liable for any damage the Client may incur as a result of suspension of the Service on the condition that the Bank has immediately informed the Client of this fact.
- 8.6 The Bank shall not be liable for cases where the Service cannot be used for reasons that are beyond the control of the Bank or its partners (power failure, interruption to the connection with the Bank via the public data network, strike etc.).
- 8.7 Electronic communications networks (public telephone lines, mobile network lines, e-mail and fax) used for the communication between the Bank and the Client pursuant to these Conditions are beyond the Bank's direct control; the Bank is therefore not liable for any damage caused to the Client by their potential misuse. The relevant providers of electronic communications services are

obliged to secure the protection of these networks and the confidentiality of messages sent via the networks, as envisaged particularly in Act No. 127/2005 Coll., on Electronic Communications, as amended.

#### **Article 9. Client's Obligations**

- 9.1 The Client is obliged to use the Service in accordance with the EDI KB User Materials. The Bank guarantees the functionality of the Service on the condition that the Contract, EDI KB Materials, Client Entry Data in the EDI KB system, EDI KB Operating Parameters, and other Bank instructions are adhered to.
- 9.2 The Client is obliged to check continuously whether the settlement messages received from the Bank correspond to the Orders that he/she has sent to the Bank via the Service and whether the Bank has executed or rejected the submitted Orders. The Client shall be obliged to notify the Bank of any ascertained faults in the settlement of the Orders as well as any other errors and/or discrepancies in the Accounts without any unnecessary delay. Belated notification may result in denial of Client's (or User's) claim for damages or titles arising from an unauthorised or erroneously performed payment transaction pursuant to the General Conditions.
- 9.3 If the Client's Private Key is disclosed or misused, or his/her own device with the EDI application is lost or stolen, he/she shall be obliged to notify the Bank without any unnecessary delay. Belated notification may result in denial of Client's (or User's) claim for damages or titles arising from an unauthorised or erroneously performed payment transactions pursuant to the General Conditions.
- 9.4 The Client is obliged to protect any information concerning the Service and proceed in such manner that the Service is not misused. In particular, the Client shall protect his/her Private Key from misuse. He/she shall immediately change his/her Private Key if it has been divulged or if there is reasonable suspicion that it has been divulged or misused.
- 9.5 The Client is further obliged to protect his/her own computer system and component parts thereof from misuse. The Client must take care of and is liable for the following:
- comprehensiveness and integrity of the software installed for the purpose of utilizing the Service,
  - preventing improper or unauthorised use of the equipment dedicated to the use of the Service,
  - securing the computer (PC) from being misused by a third party,
  - installing and regular updating of an anti-virus application to enhance the protection from harmful programmes (viruses),
  - using anti-spyware applications (e.g. Ad-aware, Spybot) to enhance the protection against tracking User's activities on the PC by parasite programs, and
  - introducing safety measures when using PC-related infrastructure (PC, network, back-up, media storage, Internet firewall, etc.).
- 9.6 The Client shall be obliged to notify the Bank of a threatened misuse of the Service without any unnecessary delay at the Client support telephone number 955 551 553 (option 4) and ask the Bank to block the access to the Service. The Client shall supply the Bank with information necessary for his/her identification and shall provide all known details concerning the circumstances of the threatened misuse of the Service. The Bank consequently blocks access to the Service or changes or suspends provision of the Service. The entitlement of the Client to request blocking of access to the Service at the Client's Point of Sale is not affected. The Client is also entitled to request blocking of access to the Service for individual Users via Client support. The Bank consequently blocks access to the Service, unless the Client is informed otherwise.
- 9.7 The Client acknowledges that any and all information on the EDI KB system, Service, and their use is confidential. The Client must not use this information for any purpose other than that for which it has been provided, and may not divulge it or make it accessible to third parties without prior written consent of the Bank. If it is necessary that a third party or Client's employee should obtain certain information, the Client shall bind such persons to secrecy in

compliance with these Conditions and with the relevant contracts for the opening and maintaining of Accounts. The Client shall also protect his/her own computer system and component parts thereof against misuse.

- 9.8 The Client is not entitled to permit third parties to utilise the agreed communication channel used for the Service without prior written consent of the Bank.
- 9.9 The Client shall ensure that all Users are familiar with the Contract and the EDI KB User Materials and that they abide by provisions thereof.
- 9.10 The Client shall discharge his/her duty to inform the Bank as required by these Conditions, particularly under Articles 8 and 9 hereof, at the Client's Point of Sale, over the telephone at the number 955 551 553 (option 2) or at another telephone number communicated by the Bank. Should the Client fail to fulfil the duty to inform the Bank within 3 Business Days from the day on which such duty has arisen without being prevented from doing so by particularly serious reasons, he/she shall be deemed to fail to notify the Bank without unnecessary delay.
- 9.11 The Client shall be held liable for any damage suffered by the Bank as a result of a breach of Client's obligations set forth in Articles 8 and 9 hereof.
- 9.12 The Bank shall not be held liable for any unauthorised or erroneously performed payment transactions, for any damage suffered by the Client as a result of a breach of his/her obligations set forth under Articles 8 and 9 hereof, or for any loss or damage resulting from an incorrect authorisation or non-execution of an Order due to reasons caused by the Client or a payee.
- 9.13 If the Client ascertains that access to the Service has been blocked, he/she shall be obliged to take all necessary steps to unblock or regain access to the Service without any unnecessary delay, so that he/she can access information about the Payment Services the Bank provides to him/her through the mediation of the Service pursuant to the Payments Act<sup>2</sup>.

#### **Article 10. Termination of the Contractual Relationship**

- 10.1 The Contract shall expire/be terminated:
- upon the expiry/termination of a contract for opening and maintaining the Account from which the Bank is entitled to settle the fees for the provision of the Service;
  - in case of a change of the person for whom the Bank keeps the Account from which the Bank is entitled to settle the fees for the provision of the Service, as from the date at which the Bank shall learn of such change;
  - by a notice of termination from any of the contracting parties. The Client and the Bank shall be entitled to terminate the Contract in writing at any time. The notice shall become effective at 8:00 on the Business Day following the date of delivery thereof to the other contracting party, except in cases where the Bank terminates a Contract with a Qualified Client, in which cases the Bank shall be entitled to terminate the Contract in accordance with the General Conditions; or
  - as at the Conclusive Date.
- 10.2 The Bank's right to cancel the Contract in accordance with the General Conditions shall not be prejudiced by this provision.

#### **Article 11. Other Provisions**

- 11.1 The Bank and the Client hereby undertake to make every effort to settle amicably any disputes or discrepancies arising under the Contract or in connection therewith. Should the Bank and the Client fail to settle any disputes or discrepancies amicably within a reasonable period of time, which however shall be no longer than 30 days from the notification of the dispute by one contracting party to the other, all disputes or discrepancies arising under the Contract or in connection therewith shall be decided with conclusive validity in arbitration proceedings before the Arbitration Court attached to the Economic Chamber (Chamber of Commerce)

<sup>2</sup> Act No. 284/2009 Coll., the Payments Act, as amended.

of the Czech Republic and the Agrarian Chamber of the Czech Republic, in accordance with the rules of procedure of this court, by three arbitrators appointed in compliance with those rules, with the exclusion of the jurisdiction of general courts. The Bank and the Client undertake to honour all obligations imposed upon them in the arbitration award within the time limits given therein.

11.2 The Bank and the Client hereby agree in favour of the Bank that in the event of a particular dispute there shall be an option of submitting such dispute to a competent general court instead of settling the said dispute in arbitration proceedings in accordance with Article 11.1 hereof.

11.3 The Bank reserves the right to change the deadlines and time data set forth in the Conditions.

## Article 12. Definition of Terms

12.1 Terms in the Conditions that begin with a capital letter have the following meanings:

“**Account**” shall mean any of the Client’s current or term accounts to which the Service has been established.

“**AUTACK**” (Authorisation Acknowledgment) shall mean an authorisation of the receipt of a message by the recipient. The AUTACK message unequivocally acknowledges the receipt of a certain message and its intactness at the moment of its delivery. Through the AUTACK message, the Bank informs the Client that his/her secured message has been deciphered.

“**Bank**” shall mean Komerční banka, a.s., registered office at Praha 1, Na Příkopě 33/969, postal code 114 07, IČ (Company ID): 45317054, entered in the Commercial Register kept at the Municipal Court in Prague, section B, insert 1360.

“**Banking Services**” shall mean any banking deals, products and services provided by the Bank based upon its banking licence, including investment services provided by the Bank acting as a security broker/dealer.

“**Bank’s Branch**” shall mean Komerční banka, registered office at Praha 1, Na Příkopě 33/969, Postal Code: 114 07, Czech Republic, IČ (Company ID): 45317054, entered into the Commercial Register kept by the Municipal Court in Prague, Section B, Insert 1360, acting through its organisational unit: Komerční banka, a.s., a foreign bank’s branch, registered office at Hodžovo náměstí 1A, Postal Code: 811 06, Bratislava, IČO (Company ID): 47 231 564, Slovak Republic, entered into the Commercial Register kept by the District Court in Bratislava I., Section: Po, Insert No. 1914/B.

“**BANSTA**” (Banking Service Message) shall mean information on the acceptance or rejection of a message by its recipient.

“**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.

“**Certificate**” shall mean a data message issued by the Bank based on the Public Key generated by the Client and handed over to the Bank that links data for verifying Client’s Digital Signature with the signing person and makes it possible to verify the Client’s identity when using the Service in compliance with Act No. 227/2000 Coll., on Electronic Signature, as amended. The Certificate contains the Public Key and identification data of the Client and confirms the validity of the Client’s Public Key.

“**Client**” or “**Subject**” shall mean a natural person (business) or legal person that has entered into a Contract with the Bank.

“**Client Entry Data in the EDI KB System**” shall mean a document containing basic data concerning the Client, necessary for his/her administration in the Bank. The document shall be completed by the Client.

“**Client’s Point of Sale**” shall mean the Bank’s point of sale at which the Client has executed the Contract.

“**Client support**” shall mean the Bank’s telephone service, which is used for primary telephone contact by the Bank with the Client and the User when resolving their requests and queries, when providing information relating to operation of the Service.

“**Conclusive Date**” shall be a day on which the Bank learns, in a trustworthy manner, about the death of a Client, i.e., a day on which conclusive documents of the fact that the Client died or was declared dead are delivered to the Client’s Point of Sale (these documents can be, e.g., death certificate, a court or notary memorandum of performing the inheritance proceedings, decision of the court with a legal power clause concerning the declaration of the Client’s death).

“**Contract**” shall mean the contract under which the Bank undertakes to provide the Client with the Service.

“**Conversion transaction**” shall mean any transaction requiring currency conversion.

“**CREMUL**” shall mean Multiple Credit Advice.

“**DEBMUL**” shall mean Multiple Debit Advice.

“**DELIVERY REPORT**” shall mean an automated confirmation of the receipt of a message sent by the recipient’s communication device to the sender’s communication device.

“**Digital Signature**” shall mean a type of an electronic signature used to verify the identity of a sender of a relevant message as well as to verify that the message to which the signature is attached has not been altered.

“**DIRDEB**” (Direct Debit Message) is a multiple collection Order.

“**EEA**” shall stand for the European Economic Area.

“**EDI**” (Electronic Data Interchange) shall mean an electronic interchange of structured standard messages between information systems of various subjects on the basis of an agreed-upon standard applying to data (messages) transferred via communications networks.

“**EDI KB**” is the brand name of the service used for sending and receiving messages in the EDIFACT format between the Client and the Bank.

“**EDI KB Operational Parameters**” shall mean the document containing identifiers stipulated by the Bank. The EDI KB Operational Parameters are not a Notice as envisaged in the General Conditions.

“**EDI KB User Materials**” shall mean the following manuals: EDI KB User Manual, EDI KB Security and EDI KB Subsets, which the Bank is entitled to update and amend. The Bank supplies the EDI KB User Materials upon the execution of the Contract. The EDI KB User Materials are not a Notice as envisaged in the General Conditions.

“**EDIFACT**” is the Electronic Data Interchange for Administration, Commerce and Transport.

“**Exchange Rate**” or “**Rate**” shall mean an exchange rate published by the Bank.

“**File**” shall mean a part of the Bank’s automated internal accounting system, in which payments hitherto unprocessed due to a lack of liquid funds in a relevant Account are kept for a period of time determined by the Bank (or, as the case may be, agreed with the Client).

“**FINSTA**” (standing for the Financial Statement) shall mean an Account statement.

“**Foreign Payment**” shall mean a payment Order that can be used for (i) a payment in a foreign currency or CZK made abroad or (ii) a payment made outside the Bank in a foreign currency within the Czech Republic. The Foreign payment can be arranged to the debit of a current Account kept in CZK or in a foreign currency. Payments are cleared via the mutual accounts of the payer’s bank and the payee’s bank, or also via a mediating bank.

“**FX Payment**” shall mean a payment made on the basis of an Order for transferring funds purchased at an agreed exchange rate from Bank’s internal account based on a separate contract for trading in financial markets entered into by the Bank and Client.

“**Moment of Effectiveness**” shall mean the moment at which an Order is accepted as envisaged by the Payments Act, determined in accordance with these Conditions, the Notice on the Payment System, and Contract, at which all prerequisites shall be met as set forth by the Contract or by Law for (i) the 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: EDI KB Operational Parameters and EDI KB User Materials.

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

“**Payment order in a foreign currency**” shall mean a payment Order that can be used (i) for payment between accounts held with the Bank in the same or different currencies, with the exception of cases when the payer’s Account and the payee’s account are held in CZK, or (ii) for payment to a different bank in the Czech Republic submitted to the debit of a current Account held in a foreign currency. A Payment order in a foreign currency outside of the Bank is handed on for clearing to the clearing centre of the Czech National Bank, and is thus always implemented by the Bank in CZK regardless of the currency of the Account, which is debited by the Order.

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

“**PAYMUL (D/Z/S)**” (Multiple Order Message) shall mean a multiple payment Order for payment (domestic/foreign/SEPA EuroPayments).

“**Private Key**” shall mean data used for creating the Electronic Signature. The Client creates his/her Private Key using his/her own program.

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

“**Prompt Payment**” shall mean an irrevocable payment Order arranged to the debit of the Client’s account and processed in the presence of the Client immediately after the Order classified as a “Prompt Payment” is submitted to the Bank. The Bank shall issue to the Client a confirmation of the processing of a Prompt Payment.

“**Public Key**” shall mean data used for verifying the Digital Signature. The Client creates his/her Public Key using his/her own program.

“**Qualified Client**” shall be a Client – Micro-enterprise or Client – Consumer as envisaged in the General Conditions.

“**QUOTES**” shall mean information about a currently valid exchange rate list issued by the Bank.

“**SEPA EuroPayment**” is a cashless transfer in EUR, the level of which is not limited. The account of the payer and the payee, which may be held in

any currency, must be held in a member country of the European Union or in a country constituting the EEA (or also Switzerland, French Guiana, Guadeloupe, Martinique, Réunion and Gibraltar) and the bank of the payer and the payee must also be participants in the SEPA system. If the payee’s bank is not a participant in the SEPA system, after specification of instructions by the Client, the payment is implemented as a different type of foreign payment. Costs relating to transfer are settled in part by the payer and in part by the payee (fee type “SLEV”). The Order will be implemented as “Express”. Additional data from the payer is transferred to the payee.

“**Service**” shall mean the Bank’s EDI KB service provided under the Contract.

“**Subject’s Limit**” shall have the meaning set out in the Product Terms and Conditions governing the provision and use of the Bank’s Direct 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.

“**User**” shall be a natural person to whom the Bank has issued a Certificate created on the basis of the Client’s Public Key handed over to the Bank. The User is authorised by the Client to act on his/her behalf in all matters concerning the operation of a Service, i.e., chiefly to sign documents with the Digital Signature on behalf of the Client and to receive messages sent by the Bank to the Client.

12.2 Submitting/sending a request shall mean, for the purpose of these Conditions, sending a request to the Bank for processing using the Service.

12.3 Delivering a request shall mean, for the purpose of these Conditions, a delivery of a request to the Bank using the Service.

### **Article 13. Final Provisions**

13.1 The Bank shall be entitled to amend these Conditions on an ongoing basis in the manner set forth in the General Conditions.

13.2 These Conditions repeal and replace the Terms and Conditions of the Provision and Use of EDI KB of 23 July 2011.

13.3 These Conditions come into effect as of 7 November 2011