

**GENERAL BUSINESS CONDITIONS  
FOR LEGAL ENTITIES AND ENTREPRENEURING INDIVIDUALS**

**15 ~~DECEMBER~~ MAY 2019~~22~~**

Citibank Europe plc, organizační složka  
Czech Republic

## **A. GENERAL RULES GOVERNING THE RELATIONSHIP BETWEEN THE BANK AND ITS CLIENTS**

### **I. GENERAL PROVISIONS**

#### **1.1 Scope of Application**

- (1) These General Business Conditions of Citibank Europe plc, organizační složka (the “**Conditions**”) govern all banking and related business relationships between Citibank Europe plc, a company established and existing under the Irish law, registered seat at Dublin, North Wall Quay 1, Ireland, registered in the Register of Companies in the Republic of Ireland, under the number 132781 (the “**Bank**”), and its clients - legal persons and entrepreneuring individuals (the “**Client**”), if these relationships relate to the Bank’s branch in the Czech Republic Citibank Europe plc, organizační složka, registered seat at Prague 5, Stodůlky, Bucharova 2641/14, Postal Code 158 02, Reg. No. 28198131, registered in the Commercial Register with the Municipal Court in Prague, Section A, Insert 59288. The Client’s acceptance of the Conditions shall be a condition precedent to the Client having a banking relationship with the Bank. Banking relationship may also include investment services and activities of the Bank. To the extent the terms of any written agreement between the Client and the Bank differ or conflict with the terms of the Conditions, the terms of such written agreement shall control.
- (2) The Conditions are issued by the Bank in accordance with the provisions of Section 1751(1) of Act No. 89/2012 Coll., the Civil Code, as amended (the “**Civil Code**”).

#### **1.2 Definitions of Selected Terms**

“**GDPR**” means Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).

“**Person with Disposition Rights**” means, in respect of a relevant account, any person that:

- (a) is authorised to dispose with funds on such account based on applicable signature card accepted by the Bank; or
- (b) is authorised by the Client through applicable electronic banking service to dispose with funds on such account; or
- (c) is accepted by the Bank as a person authorised to dispose with funds on such account based on request, instruction or announcement of the Client; or

(d) is an authorised holder of payment card issued by the Bank with respect to such account;

all of the above subject to such person or Client submitting to the Bank such information about such person that the Bank may need in order to duly identify, in accordance with applicable Legal Regulation, the Client or persons acting on behalf of the Client.

**“Payment Infrastructure Provider”** means any party that is part of the global infrastructure for payment systems, including communication, clearing and payment systems, and mediating and correspondent banks.

**“Service Provider”** means any third party selected by the Bank, any Citigroup member or their Representatives to provide services, which party is not a Payment Infrastructure Provider; a Service Provider may be deemed to mean, for instance, a technology provider, business process outsourcing provider or call-center provider.

**“Legal Regulation”** means any local or foreign legal regulation, any international treaty or any other agreement concluded with the Authorities or among them.

**“Citigroup”** means Citigroup Inc. and any party directly or indirectly controlling and/or controlled by Citigroup Inc. located in the Czech Republic and/or elsewhere.

**“Client’s Affiliate”** means any individual or legal entity or any of its branches or operating companies that (i) directly or indirectly owns any interest in the Client (where the Client is a company), (ii) is considered the beneficial owner of the Client, where the Client operates in the form of a trust or its equivalent pursuant to a Legal Regulation of any jurisdiction, whether local or foreign (including a “grantor trust” within the meaning of Sections 671 through 679 of the United States Internal Revenue Code, (iii) is an individual exercising control over the Client through any arrangement or using other means, where the Client is a legal entity, or (iv) is an individual in charge of the Client’s affairs, in particular, its statutory representative, trustee or guardian.

**“Authority”** means the respective regulatory, tax or other government authority, public administration agency or law enforcement authority in any jurisdiction, whether local or foreign.

**“Representatives”** means officials, directors, employees, attorneys, agents, representatives or professional advisors to the Bank and Services Providers.

### 1.3 Confidentiality of Information and Banking Secrecy, Personal Data Protection and Identification of Client

- (1) For the purposes of these Conditions, the terms “personal data”, “data processor” and “data subject” are as defined under the GDPR. In the course of providing the Account (as defined below) and products and services to the Client, the Bank may receive personal data relating to a data subject from the Client and its representatives (“**Client Personal Data**”). Data subjects may be the Client, its personnel, Clients, payment beneficiaries or other data subjects. The Client Personal Data will include names, contact details, identification and verification information, bank account and transactional information, to the extent that these amount to personal data under the GDPR.
- (2) The Bank, as the Client’s data processor, is obligated to keep and process the Client Personal Data in accordance with the Legal Regulations. The Client acknowledges that the Bank is authorised to process and use the data, which the Bank, any Citigroup member or their Representatives obtain in relation to the Client in the course of the provision of the services and in the course of providing the account, including the Client Personal Data, its bank account, transaction information and all other information, which was marked as confidential by the Client when provided, or information that is believed to be confidential (all such information referred to in this sentence hereinafter the “**Confidential Information**”). The Client acknowledges that:
  - (a) the Bank, Citigroup members, Representatives, their attorneys, legal, tax or other advisors and third parties authorized by the Bank or other members of Citigroup to perform the contractual or statutory duties of the Bank or other members of Citigroup, are authorized to process any and all information and Confidential Information, including passing such information between the Bank, Citigroup members, and other persons specified above and passing such information to any Authority, which information has been obtained in connection with or for the purpose of the provision of any service by the Bank to the Client or information required to meet all Legal Regulations or for the purpose of any court, judicial proceeding, audit or investigation by Authorities, whereas the Bank shall process the Client Personal Data for the period of existence of contractual relationship between the Bank and/or other Citigroup members and the Client and/or other persons belonging to the same group as the Client or for such longer period as may be reasonable for the purpose of defending legal claims and protecting or enforcing rights or if the Bank is required to do so under

the Legal Regulation governing provision of investment services;

- (b) this authorization is effective regardless of any existing arrangement between the Client and the Bank, Citigroup members or Representatives, which would prohibit the processing of such information and Confidential Information; and
  - (c) the Bank is authorized to verify the obtained information concerning the Client, particularly with Authorities, courts, public administration authorities or the employer of the Client, subject to the confidentiality of such information.
- (3) The Client further acknowledges that the Bank shall be entitled, even without the Client's consent, to disclose all Confidential Information to any person with whom the Bank negotiates the assignment of the Bank's claims against the Client or the assignment of the whole or part of an agreement between the Client and Bank or the assumption of the Bank's debts towards the Client, or to any person with whom the Bank negotiates in connection with the provision of banking products to the Client.
- (4) Nevertheless, the processing of information, as referred to in paragraphs (2) and (3) of this Article 1.3, is only possible under the condition that the confidential nature of such information is maintained.
- (5) The Client further acknowledges that the Bank may disclose the Confidential Information to the Payment Infrastructure Providers and Service Providers solely for the Permitted Purposes (as defined below) or in the fulfillment of the duties imposed by the Legal Regulations. The Bank publishes on its website an up-to-date list of third persons that participate in the provision of banking products by the Bank; the list specifies the proper purposes of the transfer of Client Personal Data to and processing by a relevant third person. Any changes in such third persons shall also be published by the Bank.
- (6) The Bank may disclose the Confidential Information to persons belonging to the same group as the Client and also to other persons designated by the Client (e.g. the Client's shared service centers).
- (7) Without the consent of the Client, the Bank may disclose the Confidential Information in such cases in which the Bank is obligated or authorized to disclose such Confidential Information in accordance with the applicable Legal Regulations, by virtue of a court resolution or public administration authority decision or for purposes of performance of agreement or legitimate

interest. Furthermore, the Client particularly consents to disclosure of Confidential Information to state authorities in the United States of America, including Office of the Comptroller of the Currency (OCC), Federal Reserve Board (FRB), Federal Deposit Insurance Corporation (FDIC), Securities Exchange Commission (SEC) and other regulatory bodies that oversee activities of Citigroup entities in the United States of America.

- (8) The Client acknowledges that Confidential Information may be disclosed to foreign jurisdictions that do not have strict protection of data or personal data protection laws in place.
- (9) The Client takes responsibility for maintaining the confidentiality of the business relationship with the Bank and any verbal or written agreement in connection therewith. Therefore, the Client is obliged not to provide any information to any third party in respect of any verbal or written agreement with the Bank without the Bank's prior written approval. A breach of this provision is a serious violation of the conditions of the business and legal relationship between the Client and the Bank.
- (10) The Bank processes the Confidential Information for the following purposes: (A) to provide the Account and products and services to the Client and other persons belonging to the same group as the Client; (B) to undertake activities related to the provision of the Accounts and products and services, including (i) the fulfillment of Legal Regulations, (ii) the verification of the identity of the Client's representatives who contact the Bank or who may be contacted by the Bank, (iii) the assessment of the risks and trends and for statistical and planning purposes, (iv) monitoring and recording calls and electronic communications with the Client to ensure system security and for quality control and training purposes, and for fraud prevention, (v) for crime detection, prevention, investigation and prosecution, (vi) to assert or defend the rights of the Bank or other Citigroup members, (vii) to manage and expand the Bank's relationship with the Client and other persons belonging to the same group as the Client, which may include providing information about the products and services provided by the Bank and other Citigroup members to the Client and other persons belonging to the same group as the Client; and (C) for the purposes set out in this Article 1.3 (collectively the "**Permitted Purposes**").
- (11) The Bank will, and will ensure that Citigroup members, Payment Infrastructure Providers and Service Providers will, (a) treat the Client Personal Data as confidential, and (b) implement appropriate technical and organizational measures to protect Client Personal Data that is within its or their custody or control against unauthorized or unlawful processing and accidental destruction or loss. The Bank shall make a reasonable effort to ensure that other Citigroup

members and Services Providers also do the same.

- (12) To the extent that the Bank processes Client Personal Data about other data subjects (for example, the Client's personnel, the persons controlling or controlled by the Client, branches or operating companies of the Client or Affiliates of the Client), whether existing or future, then the Client warrants that it has provided notice to (and promptly upon the Bank's request shall provide evidence to the Bank of having provided such notices) such data subjects in relation to the Bank's processing of their Client Personal Data in accordance with any instructions of the Bank from time to time (which may include the form and the manner in which a notice is to be provided, or any consent is to be obtained). In connection with the foregoing, the Client warrants that it will provide data subjects with a copy of the relevant Privacy Statement accessible at web pages of the Bank [www.citibank.cz](http://www.citibank.cz) (or other similar URL address). The Client further warrants that it has obtained consent from such data subjects in relation to the Bank's processing of all of their personal data and undertakes to provide the Bank with the said consent and to procure such consents and hand them over to the Bank also in the future. The parties acknowledge that the above consent is not required if the personal data processing is necessary for the performance of obligations resulting from a contract with the data subject or imposed by Legal Regulations or if such processing constitutes legitimate interest of the Client or the Bank.
- (13) The Client shall be obliged, to the extent corresponding with the respective Legal Regulations, to inform the Bank of identification data of persons that are authorized to act on the Client's behalf as well as persons that conclude a given transaction with the Bank on the Client's behalf or submit an instruction concerning a given transaction to the Bank on the Client's behalf prior to the conclusion of any transaction with the Bank or the submission of an instruction to the Bank concerning execution of any transaction. In addition, the Client shall be obliged to provide the Bank all necessary co-operation in verifying the identification of all above mentioned persons.
- (14) The Client undertakes to hand over to the Bank information according to paragraph 13 of this Article 1.3 together with related documents (including a consent of a given physical person with provision of such information and documents in the sense of a respective Legal Regulations, if any) in an appropriate period of time preceding the conclusion of a given transaction or placing of an instruction to a given transaction so as to enable the Bank to duly verify the information and documents and receive them in the custody.

## **II. NOTICES, COMMUNICATION WITH THE CLIENT**

### **2.1 Notices, Means of Communication between the Bank and the Client**

- (1) Unless otherwise agreed, the Client shall act in person or use telephone, registered mail, fax or authenticated SWIFT or the Internet (the agreed website of the Bank or another electronic means as approved by the Bank) when communicating with the offices of the Bank. When communicating with the Client, the Bank shall also use post mail or courier services and e-mail apart from the means of communication stated above. The Bank will only accept instructions or orders from the Client's authorized persons or persons duly authorized by the Client. The Client is obligated to promptly notify the Bank in writing of any recall of the Client's authorized persons or any change in such authorization.
- (2) Upon the Bank's request, the Client shall be obliged to confirm in writing any notices or other information delivered in person, via phone or via the Internet (or another electronic means as approved by the Bank) without undue delay but not later than within three business days following the day of delivery of such request to the Client. If the Client fails to provide such confirmation within the given period, the Bank shall not be liable for any damage resulting from the procedures pursued by the Bank on the basis of such unconfirmed notices or information.

### **2.2 Forms and Data Carriers**

- (1) The forms, data carriers, passwords and means of communication which the Bank has put at the disposal of the Client must be kept and handled by the Client with due care.
- (2) The Bank shall be entitled not to execute orders or instructions if such orders have been given without the use of forms drawn up or approved by the Bank or of other data carriers or means of communication not approved by the Bank. The Bank may require communications to be made in a specific form.
- (3) If the Client becomes aware of any irregularity such as loss, theft or misuse with respect to these forms, data carriers, passwords, payment cards or means of communication, the Client shall immediately inform the Bank. Until information is properly received by the Bank, the consequences of the use of forms, data carriers passwords, payment cards or means of communication shall be at the expense and responsibility of the Client.
- (4) Any information concerning irregularities must be confirmed by the Client to the Bank in writing.



- (5) In the event the relationship between the Client and the Bank has been terminated, the Client shall promptly return to the Bank all unused forms as well as other data carriers and means of communication provided to him by the Bank.
- (6) If the Bank discovers a mistake in any confirmation, statement of account, notice or other statement sent to the Client by the Bank, the Bank shall notify the Client without delay. The Client is obligated to examine and review all confirmations, statements of account, notices and other statements sent to the Client by the Bank immediately upon receipt. In addition, the Client is obligated to confirm that all orders and instructions given by or for the Client are properly executed by the Bank. If the Client discovers any error in the Bank's carrying out of any order or instruction given by or for the Client, the Client shall notify the Bank without delay. Where the Bank discovers or the Client notifies the Bank of any mistake in any confirmation, statement of account, notice or other statement or in the execution of any instructions given by or for the Client, the Bank shall correct such mistake without delay.
- (7) If the Client has failed to notify to the Bank in writing that he contests the contents of any confirmation, statement of account, notice or other statement sent to the Client by the Bank within the time limit determined by the Bank, the information contained in such confirmation, statement of account, notice or other statement shall be deemed to have been received, accepted, confirmed and approved by the Client.

### **III. LIABILITY OF THE BANK**

#### **3.1 Liability of the Bank**

- (1) In the framework of its activities, the Bank is liable for actual and foreseeable damage (however, not for lost profits) caused to the Client due to the fact that the Bank provably breached its obligations, where such damage was caused willfully or due to gross negligence. The Client agrees and acknowledges by entering to a relevant transaction or accepting a provision of banking services by the Bank that the Bank could not anticipate any consequential damage or lost profits as on the date of provision of the banking service, provided with usual care, that could occur as a consequence of any breach of or failure to meet any obligation of the Bank pursuant to the agreement or contract on such banking service, and that the amount of such predictable damage of the nature of consequential damage or lost profits shall be zero. In the event of the dispute, the Client is obliged to prove the Bank's failure.
- (2) Within the business relationship with the Client, the Bank is neither obligated to:

- (a) notify the Client, or a third party who may suffer a loss as a result thereof, without undue delay, of any actual or threatening violation of legal obligations of the Bank or of potential consequences thereof; nor
  - (b) use its own funds to provide compensation for damage that the Bank could have averted, had it taken measures to avert the imminent damage.
- (3) In the event of the violation of a contractual obligation, the Bank is only liable vis-a-vis the Client (rather than any third party in whose interest the performance of the agreed duty was to serve).
- (4) Within the business relationship with the Client, the Bank does not provide the Client or any other persons with any legal, tax, accounting or investment advisory services or advisory services concerning their business or investment or business strategies or other issues. Unless agreed otherwise with the Client in writing, the Bank is not required to inform the Client or provide the Client with any advisory services concerning exchange rates, interest rates, value of items or securities in custody. Any information provided to the Client shall not be considered advice within the meaning of Section 2950 of the Civil Code. The Bank does not guarantee the completeness and accuracy of the information provided to the Client. The provisions of this Sub-section shall not apply to the extent that the Bank is obligated to provide information or advice under a contract concluded with the Client or under another form of legal title.
- (5) For the avoidance of doubts, the provisions on the Bank's liability pursuant to this Article III do not exclude the Bank's liability for any damage with respect to which the Bank cannot be exempt from liability pursuant to applicable Legal Regulations.

### **3.2 Force Majeure, Liability of the Bank, Disturbance of Business**

- (1) The Bank shall not be liable for damages resulting from the performance of obligations imposed on the Bank or any Citigroup member by the Authorities, the denial or late granting of necessary permits by authorities, by force majeure (acts of God), riot, civil commotion, war or natural events, international sanctions binding on the Bank or any Citigroup member, the performance of a statutory duty of the Bank or any Citigroup member, or due to other occurrences for which the Bank is not responsible (e.g., strike, lock-out, traffic hold-ups, acts of war, revolution, natural disaster or other circumstances beyond the Bank's control), and for damages ensuing from events for which the Bank cannot be held responsible, or for those damages which result from acts of the Client or third person.

- (2) The Bank shall have no responsibility or liability to the Client for any diminution or depreciation in the value of funds credited to the account of the Client (which funds may be deposited by the Bank in the Bank's name and subject to the Bank's control with such depositories as the Bank may select) due to taxes, imposts, or due to the lack of availability of such funds due to restrictions on convertibility and/or transferability, requisitions, involuntary transfers, acts of war, international sanctions binding on the bank or any Citigroup member, or civil strife, distraint of any character, exercise of military or usurped powers, or other similar causes beyond the Bank's control.
- (3) If the Client uses certain systems or platforms within the scope of services provided by the Bank, the Client acknowledges that the Bank shall not be liable for any damage sustained by the Client due to an unlawful use of a given system or a platform by a third party (including any misuse of the user's name or password for entering such a system or a platform). The Bank shall also not be liable for any loss following the Client's financial decision or any losses of third parties arising from the use of given systems or platforms by the Client. In addition, the Bank shall not be liable for situations when the Client will be prevented from the use of given systems or platforms or when their use will be limited, delayed or made impossible to the Client due to force majeure (including causes that cannot be avoided by applying reasonable care or without inappropriate cost). The Client also acknowledges that the use of a given system or a platform within the scope of the Internet may be influenced by a fault, error or interruption of operation of such network, delay in operation or transmission, attack by a computer virus, unlawful attack of a third person or a reference or system failure, for which, notwithstanding the security elements used, the Bank shall in no case bear any responsibility, excluding the liability in case of breach of the Bank's obligations.
- (4) If the Client uses the Internet within the scope of services provided by the Bank or if notices or information are provided or made available via the Internet, the Client acknowledges that the Bank has no influence on this network's performance. Furthermore, the Client acknowledges that the transmission of data via the Internet does not represent a safe form of transmission of sensitive information, that the data may lose their confidentiality or be damaged or caught or modified or misused any time during the transmission. Regardless of any security features used by the Bank in its standard effort to ensure the security of electronic access to the banking services, the Client agrees that the Bank shall not assume any responsibility for misuse of the communication sent via the Internet or for an unauthorized access to or a modification of data sent via this network and that the Bank shall also not be liable for any loss or other consequences caused by a shutdown, failure to function, defect, disconnection, fault, delay or computer virus

during the transmission of data via this network or by any similar event, and it shall also not be liable for any other losses or consequences resulting from the use of the Internet.

- (5) In the case of entering into the respective transaction by the Client or in the case of the provision of a banking service by the Bank, the Client agrees and confirms by expressing its will aimed at the execution of such transaction or provision of such banking service that each of the facts enumerated in Sub-Sections 1 through 4 above constitutes an unforeseeable obstacle occurring independently of the Bank's will.
- (6) Deposits with and other debts of the Bank in any currency are payable solely at the Bank's business premises in the Czech Republic and are subject to the provisions of the relevant Legal Regulations (including, in particular, Act No. 21/1992 Coll., on Banks, as amended (the "**Act on Banks**")).
- (7) Should any circumstance referred to in Article 3.2 above occur, the Bank shall take such measures as may reasonably be expected of it in order to reduce the resulting adverse effects to the Client.

### **3.3 Liability of the Bank with Regard to Selected Third Parties**

- (1) The Bank has the right to select, at its discretion, a third party as its correspondent or agent or if the Client in his instruction stipulates a particular third party, to use such a third-party as its correspondent or agent to the extent necessary for the performance by the Bank of its contractual obligations. The respective third party shall not be considered an assistant (in Czech: "*pomocník*") within the meaning of the provisions of Section 2914 of the Civil Code.
- (2) The Bank shall be liable only for the careful selection of the third party selected by the Bank, for the provision of such party with appropriate instructions, and for the verification of the execution of those instructions. The Bank shall not be liable for the third-party if such party is selected in accordance with the Client's instruction or if, in spite of the careful selection of the third party by the Bank, such party does not act according to norms expected from such third party or acts contrary to the instructions given to such third party.
- (3) The Bank shall not be liable for any acts, omissions, non-performance or insolvency (bankruptcy) of the registrar of investment instruments pursuant to the applicable Legal Regulations or the custodian or depository of investment instruments or the settlement and clearing center managing the respective Client's asset accounts that arose otherwise than as a result of breach of the Bank's obligations caused by the Bank. The Bank shall not be liable for any acts or

omissions, breach of obligations or inability to meet the financial or other obligations of any broker/dealer, foreign person providing similar services as a broker/dealer, or investment instrument issuer with whom the Bank concludes transactions in relation to the provided banking services.

- (4) If the Bank, by order of the Client, dispatches moneys, securities, documents proving title or other goods to the Client or to third parties, such dispatch shall be at the Client's responsibility.
- (5) Unless provided otherwise in a special agreement with the Client, the securities of the Client which the Bank places in the custody of third parties shall be deposited in the name of the Bank and collectively with the securities of other clients deposited with such third parties.

#### **IV. CURRENT ACCOUNTS**

##### **4.1 Opening and maintenance of a Current Account**

- (1) Following signature by the Bank and the Client of a Current Account Agreement (the "**Account Agreement**"), the Account Agreement shall become effective upon the opening of the current account (the "**Account**") by the Bank, unless stipulated otherwise in the Conditions.
- (2) The Bank will open an Account only if the Client provides the Bank with documents proving the identity or the incorporation and existence of the Client and other documents, which are required under applicable Legal Regulations or are otherwise reasonably requested by the Bank. Documents proving the identity shall be also presented to the Bank by persons authorized to act for the Client who is not a physical person Only the Client and persons so authorized by the Client by a power of attorney are entitled to handle the account. The Client's signature on such power of attorney must be notarized, unless the Bank is, at its discretion, able to verify the authenticity of such signature in any other suitable way. This shall not be prejudicial to the Bank's authority to dispose with the Account in accordance with any arrangements between the Bank and the Client.
- (3) Only the Persons with Disposition Rights are authorized to dispose with funds deposited on the Account.
- (4) If according to a special written agreement or arrangement concluded between the Bank and the Client the latter is obliged to have a sufficient amount of funds on its Account at the due date of payment in order to fulfill its debts towards the Bank, it is understood that the Bank shall be entitled to use the funds on the Account for that purpose (i.e. debit the Account with a respective

due amount in favor of the Bank).

- (5) In case the Client has any due debts towards the Bank, which shall be settled in accordance with arrangements agreed between the Bank and the Client by debiting the Account(s) accordingly, but available balance at the Account(s) is insufficient therefore, the Bank is entitled to debit such due debts in its entirety from the Account(s), as result of which the unpermitted overdraft balance at the Account(s) is increased. For the avoidance of any doubt, it shall be agreed that to the extent such overdraft balance exceeds any permitted overdraft facility, which may be provided by the Bank to the Client at the relevant Account(s) (if any), this overdraft balance shall be considered unpermitted for the given purposes.
- (6) The Client understands and agrees that credit balances in the Accounts are used as a security against the Client's debts towards the Bank. If the Client fails to meet a debt to the Bank when due, the Bank has the right to set off any of its receivables against the credit balances in any Account of the Client without prior notice to the Client.
- (7) The Client is obliged to settle without delay any debit balance on the Account.
- (8) In the case of the cancellation of an Account, the Bank shall dispose of the balance on this Account in accordance with the Client's instruction. If the Bank fails to receive such an instruction, the balance on the Account will be kept on a special account of the Bank, without any interest, until the moment when the right to its payment elapsed.
- (9) The Bank may also open a special account for the purposes of a monetary deposit (the "**Registered Capital Account**") for corporations which are mandated by the relevant Legal Regulations to deposit their registered capital before an application has been made for the entry of the respective corporation into the Commercial Register. In that event, a copy of a duly executed founding deed demonstrating the foundation of the respective corporation shall be supplied to the Bank by the contribution administrator. The founding deed of a corporation must show the exact amount and currency of the registered capital being deposited. After the Bank receives the deposit in respect to the registered capital of the corporation to the Registered Capital Account the Bank shall issue to the contribution administrator named in the founding deed of the corporation a confirmation of the deposit of the registered capital. The funds deposited in the Registered Capital Account shall only be permitted to remain therein until such time as the contribution administrator proves that the corporation has been duly registered in the Commercial Register. An excerpt of such registration of the corporation must be provided to the Bank. In the event the corporation shall not become registered in the Commercial Register,

the Bank shall return the funds deposited in the Registered Capital Account to the contribution administrator and shall close the Registered Capital Account. The Bank shall also close the account opened for the purposes of depositing the registered capital after the contribution administrator shows that the corporation has been duly registered in the Commercial Register and the funds from the said account are paid out by the Bank. Without prejudice to other provisions of these Conditions, the Bank may disclose the information relating to the Registered Capital Account to the contribution administrator and the incorporated corporation. The Bank does not act as administrator of the deposit, unless agreed upon in writing otherwise.

#### **4.2 Statements of Accounts**

- (1) The Bank will provide the Client with Account statements only if it agrees upon this with the Client in writing. However, if no payment transaction has been performed during the previous period for which the Account statement is to be provided pursuant to the agreement between the Bank and the Client, the Account statement shall not be created for this period and shall not be provided for this period to the Client.
- (2) In the relationship between the Bank and the Client, an extract from the Bank's records serves as evidence of all facts contained in such extract, subject only to sufficient evidence to the contrary produced by the Client.
- (3) The Bank has the right to correct all errors and mistakes in credits/debits to an Account by debiting/crediting the Account at any time, including corrective settlement in accordance with the Act on Banks. The Bank will notify the Client of any such corrections.
- (4) Delivery of the Account statement via electronic means (e-mail) shall be subject to the following provisions:
  - (a) The Bank shall send a file protected by a password containing the Account statement to a contact e-mail address stated in the Account Agreement. The provision of this service is conditioned by the activation of said e-mail address by the Bank; the activation shall take place in accordance with the Bank's internal regulations via its Client center. The password protecting the file with the Account statement shall be set and possibly changed in the future in accordance with the Bank's internal regulations via its Client center.
  - (b) The Client shall be entitled to change contact data stated in the Account Agreement

and intended for the delivery of the file with the Account statement, based on a written notice delivered to the Bank, the form of which must be acceptable to the Bank. Such notice shall become effective as of the beginning of the second business day following the day of its actual delivery to the Bank.

- (c) The Client shall be obliged to ensure that either the Client or another member of the group of companies of which the Client is a member is an authorized user of the e-mail address stated in the Account Agreement intended for the delivery of the Account statement as well as e-mail addresses stated in the Client's notices delivered to the Bank in accordance with the above paragraph.
  - (d) If the Account statement is sent by the Bank to the Client solely by e-mail (i.e. the Bank sends the Client no printed Account statement), the Client shall be entitled to ask the Bank in writing for a printed Account statement. The Client's application shall indicate a time period to which the information about the Account is to refer; this time period shall not exceed two years from the day the application is delivered to the Bank. The Client shall not be entitled to make such a request more than once a calendar month.
- (5) If the Client asks the Bank to issue a supplementary Account statement for a period other than the one for which the Bank regularly issues an Account statement on the basis of an agreement with the Client (a "**Supplementary Statement**"), this Supplementary Statement will be delivered to the Client in a manner on which the Client and the Bank agree, under the conditions valid for such delivery. Fees for the Supplementary Statement will be charged in accordance with the current List of Charges.
- (6) If the Bank agrees in writing with the Client on delivery of Account statements then, unless agreed otherwise, the Bank shall provide the Client, free of charge, with statements in the manner described in paragraph (4) of this Article 4.2, which manner is considered as the standard form of the provision of statements by the Bank. If the Client opts for another form of Account statements, the Bank shall send such printed statements to the Client's correspondence address and may charge the Client in accordance with the current List of Charges. '

#### **4.3 Interest on Funds in the Account**

- (1) The Bank may at any time change the agreement specifying interest rates, unilaterally and without any prior notice, if such a change is based on a change to reference rates. Changes in the interest or exchange rate used in Payment Transactions shall be implemented and calculated in



a neutral manner. Any change in interest rates that is more favorable to the Client may be applied without notice.

- (2) The interest rate applicable to the funds in the Account is zero. The Bank and the Client may agree on a different interest rate.
- (3) The penalty interest rate on an unauthorized debit balance in the Account is specified in the current List of Charges.

## **V. INSTRUCTIONS, PAYMENT ORDERS, FUNDS TRANSFERS, PURPOSES OF PAYMENTS**

### **5.1 Clarity of Orders**

- (1) In executing the Client's instructions, the Bank requires that the Client provide the Bank with complete and correct information necessary for such execution. The Bank is not obligated to verify the correctness and accuracy of information provided to the Bank by the Client. In the absence of such information, the Bank may refuse to execute the instruction. But, provided that in this case the Bank executes the instruction at the request of the Client, it will not be liable for any damage caused by the execution of this instruction.
- (2) Each instruction must be given in the form agreed between the Bank and the Client. The Bank may refuse to execute such instructions which (i) have not been provided to the Bank by the Client in such specific form and/or (ii) have been delivered without the use of the agreed means of communication and/or (iii) which are not signed in accordance with the signature specimen form on file with the Bank and/or (iv) raise doubt regarding their content, creation and/or authorization of persons authorized by the Client to give such instructions and/or (v) are not in accordance with the usual manner of giving instructions or carrying out payments with the Client and/or (vi) which, if executed by the Bank, a Citigroup member or any of their Payment Infrastructure Providers or Service Providers, could result in the violation of the Legal Regulations or other obligations binding on them. Unless otherwise stipulated herein, the Bank also takes no liability for the consequences of any falsified, unauthorized, illegible, mutilated, incomplete or otherwise erroneous instruction, the nature of which, after taking reasonable care, was not recognizable by the Bank. Damages, losses and/or expenses related thereto shall be born solely by the Client.
- (3) The Bank will not be held liable for any defects or defaults caused by the Client, nor for the duplicity of any instruction caused by the Client. The Bank has the right to follow an instruction

providing the Bank believes, to a reasonable extent, that such instruction contains sufficient information. In all circumstances, the compliance of their instructions with the provisions of all applicable Legal Regulations is the responsibility of the Client. If the Client's instructions are not in accordance with the provisions of all the corresponding Legal Regulations and internal regulations of the Bank, the Bank will refuse to execute the instruction.

- (4) The Client's instructions will be accepted by the Bank only during regular business hours of the Bank, within exact time-limits made public by the Bank, unless agreed upon otherwise. If the Bank receives any instructions at a time different from the above time limits or after business hours of the Bank, they will be deemed received on the next business day.
- (5) The Bank is governed by the relevant Legal Regulations regarding non-business days and bank holidays.
- (6) The Bank shall not be obligated to execute instructions or payment orders of the Client, unless such obligation is expressly set out in an agreement between the Client and the Bank, these Conditions or applicable Legal Regulations; in particular, the Bank shall not be obligated to execute a payment order on an Account if the balance in the Account is insufficient to cover such payment order and related charges or if such Account is subject to a deduction, execution or other restriction on the use or availability of amounts on deposit therein. If the Client desires that a payment order be executed by the Bank by or on a specific date or in an express payments regime, such execution must be expressly approved in writing by the Bank, otherwise the Bank shall execute such payment order in accordance with the existing Legal Regulations and its normal practices regarding the execution of payment orders.
- (7) In the case of a credit entry to the Client's account made by the Bank in the Client's anticipation of a third party transfer of funds to such account, the Bank makes such credit entry in reliance upon the due and timely receipt of the funds from such third party. In the event such funds are not timely and fully received from the third party by the Bank, the Bank shall be entitled to debit the Client's account for the amount of funds it expected but failed to receive. In the case of a credit to the Client's local currency account in the Client's anticipation of receipt of funds denominated in a foreign currency, the Bank shall be entitled to debit the Client's account by an amount equal to the difference between the amount credited to the Client's account and the amount of local currency into which the foreign currency received by the Bank could have been converted by the Client on the date of receipt by the Bank of such foreign currency.
- (8) At such times and from time to time determined by the Bank, but in no event less frequently

than once per year, the Bank shall credit to the Account of the Client (in the case of a positive balance in such Account) and debit to the Account (in the case of a negative balance in such Account) all interest, if any, that the Client is entitled to receive in respect of any positive balance in the Account and all interest, if any, that the Bank is entitled to receive in respect of any negative balance in the Account. The Bank shall notify the Client in writing if the dates on which credits to the Account in respect of interest on positive balances in the Account are different from the dates, on which interest on negative balances in the Account will be debited from the Account.

## **5.2 Verification of Instructions**

- (1) The Bank will verify the authenticity of instructions by telephone, mail, hand delivery, Internet (or by another electronic mail approved by the Bank) delivered to the Bank by the Client.
- (2) If the Bank verifies [\(e.g. by means of a specimen signature\)](#) manually initiated instruction, the Bank shall (i) be entitled to execute that instruction, (ii) not be obliged to verify the accuracy of the information contained in such instruction and (iii) deem it to be genuine, true, accurate and complete instruction, executed by such duly authorized representatives of the Client. The Bank shall not be liable for acting thereupon and the Client shall indemnify the Bank against any loss, liability, claim or expense (including legal fees) the Bank may incur in connection with its acting in accordance with that instruction.
- (3) The Bank may rely on a due authorization of each person nominated by the Client (in a form acceptable for the Bank) to send or carry out instructions until the Bank receives from the Client a written notification of any change and will be provided with a corresponding time period in order to carry out appropriate measures.
- (4) Notwithstanding any foregoing provision and unless otherwise stipulated herein, the Bank shall have the right, in its sole discretion, to refuse to execute any instruction, provided the Bank doubts its authorization, authenticity, correctness and/or completeness. The Bank shall provide prompt notice, which may be by telephone, to those persons the Client has, from time to time, identified to the Bank on a specific power of attorney and to request verification of instructions received by such means.

## **5.3 Withdrawal and Modification of Payment Instructions**

Unless otherwise stipulated herein, the Client may withdraw or modify an instruction until the

date or moment when the beneficiary has been informed of the instruction or until such instruction is received by the Bank, whichever occurs first. All costs arising from the withdrawal or modification of a payment instruction shall be borne by the Client. The Bank shall have no liability for the Client's losses arising from the withdrawal or modification by the Client of a payment instruction.

#### **5.4 Proof of Purpose of Payment**

Notwithstanding the above mentioned provisions the Bank reserves the right to request the Client any time to present any documents needed in order to identify the purpose of payments initiated by the Client, as well as payments credited to the Client's account. The Client shall be obliged to deliver such documents on request to the Bank within two business days at the latest. If there is an objective reason that makes it impossible to present documents requested, the Bank shall be entitled to execute the payment providing that the Client delivers a written statement containing information necessary for the respective payment to be carried out and stating the cause preventing the Client from a provision of respective documents.

#### **5.5 Non-Execution of Transaction**

The Client expressly agrees that a payment or transaction in relation to its account with the Bank does not have to be performed/executed, if such performance/execution would result in the violation of any Legal Regulation by the Bank, a Citigroup member, Payment Infrastructure Provider or any of its Service Providers.

#### **5.6 Further Rights of the Bank**

The Bank may, in its sole determination, block, reject, suspend, screen, report, and/or refuse to conduct any instruction, transaction or other activity related to any Account or service provided to the Client, or otherwise take action or refrain from taking action, in light of either its internal risk management or in order to comply with sanctions administered or enforced by any country or sanctions authority, including, without limitation, the United States (including, without limitation, the U.S. Department of the Treasury's Office of Foreign Assets Control and the U.S. Department of State), the United Nations, the European Union, any member state of the European Union, and the United Kingdom (including, without limitation, Her Majesty's Treasury). None of the Bank or any other member of Citigroup will become liable for such action and/or inaction.

## **5.7 Payment Services**

Payment services within the meaning of Act No. 370/2017 Coll., on Payment System, as amended (the “**Payment System Act**”), are provided by the Bank in accordance with Annex No. 1 to the present Conditions (*Conditions of Payment Services*), which is an integral part hereof.

## **VI. SOME PROVISIONS ON FOREIGN-EXCHANGE/DERIVATIVE TRANSACTIONS AND MONEY-MARKET OPERATIONS**

### **6.1 Execution of Orders on Foreign Currency Accounts**

Foreign currency accounts of the Client are intended for an execution of the Client’s direct credit payments and the Client’s payment orders in a foreign currency. Disposal of credit balances (e.g. by means of orders for transfer from a foreign exchange credit balance) is executed by means of or with the assistance of banks in the home country of the respective foreign currency. If the execution of the respective payment requires an exchange or some other permit, then, before executing such order, the Bank may ask the Client to produce such permit, and the Client is obligated to submit it to the Bank.

### **6.2 Agreement on Foreign-Exchange and Other Treasury Transactions or Money-Market Operations**

Without any prejudice to relevant provisions of a specific written agreement or arrangement executed for such purposes by and between the Bank and the Client, the Bank shall be entitled to, pursuant to a mutual agreement with the Client or, with a person authorized by the Client in accordance with the respective contractual relationship, enter with the Client into a foreign-exchange transaction at a determined rate (either individually or otherwise), other foreign-exchange transactions (spot, forward or swap, with or without delivery), swap transactions (interest or currency), option transactions (interest or currency) or possibly any other transaction at the money-market or capital markets (including deposit agreement or agreement on issuance and custody of the Bank’s promissory note) (the “**Treasury Transactions**”). For the avoidance of any doubt, it shall be agreed that (i) such a Treasury Transaction may be executed on behalf of the Client namely by the Client’s authorized person determined in a valid specimen signatures related to the respective Account, an authorization by the Client shall be granted for activities of the “conclusion of treasury and derivative transactions”, or possibly any other person who may

sufficiently prove to the Bank his/her authorization therefore, (ii) unless stipulated otherwise pursuant to the Legal Regulations or respective agreement(s) between the Bank and the Client, such a Treasury Transaction may be executed also via a telephone line determined therefore by the Bank, and (iii) the Bank is entitled to use the means on the Client's Accounts for the settlement of a Treasury Transaction unless agreed otherwise for a specific Treasury Transaction.

### **6.3 Some provisions on liability under Treasury Transactions and related right for indemnification**

- (1) Unless expressly agreed otherwise, the Bank will not be held liable for any losses, expenses or damage incurred by the Client resulting from fluctuations of exchange rates in the course of executing international payments and foreign currency transactions, unless attributable to a willful act or gross negligence of the Bank. If (i) the Client breaches or fails to perform any of its obligations set out under any respective Treasury Transaction(s) or, (ii) the Client requests the Bank for a change or cancellation of Conditions of any existing, previously executed, Treasury Transaction(s) concluded pursuant to Article 6.2 hereof, the Client undertakes to indemnify the Bank for any and all potential losses or damage incurred by the Bank as result of, such a breach or non-performance by the Client or, any above- mentioned change or cancellation of the Conditions of any such existing Treasury Transaction(s), in the manner and extent as determined below in this Article.
- (2) Without any prejudice to remaining provisions hereof, should the Bank become aware of any breach or non-performance of any obligations by the Client under the Treasury Transactions, or possibly, at the Bank's discretion, it becomes obvious that the Client fails to fulfill its obligations in connection with any Treasury Transaction(s) due to the Client's incapability to perform there under or, taking into account the Client's behavior upon preparation for the performance thereof, the Bank shall be entitled to immediately terminate all or any of the concluded and so far not duly settled Treasury Transaction(s), even without any prior notice thereof. The Bank shall inform the Client of a termination of any Treasury Transaction(s) thereafter. Upon such a termination of the Treasury Transaction(s), the mutual receivables of the Bank and the Client under the so-terminated Treasury Transaction(s) shall terminate and shall be replaced by a single receivable, the amount and the obligor of which shall be determined in accordance with the following provisions of this paragraph. As of the termination of the Treasury Transaction(s), the Bank shall, in a good faith and under commercially reasonable manner, determine an amount in

the Czech crowns, or possibly in some other freely convertible currency, which shall represent costs and expenses (expressed as a positive value) or profit (expressed as a negative value), which occurred in connection with the termination of the Treasury Transaction(s) or would have occurred under the given circumstances, had the Bank received the economic equivalent of the substantial conditions of the so-terminated Treasury Transaction(s) (the “**Final Settlement Amount**”), in order to maintain an economic value of all such payments or deliveries that the Bank was entitled to receive pursuant to such Treasury Transaction(s) if these were not terminated. If the Final Settlement Amount is a positive value, it shall be paid to the Bank by the Client; if the Final Settlement Amount is a negative value, then the Bank shall pay an absolute value of the Final Settlement Amount to the Client. The Final Settlement Amount shall be due as of the day of the termination of the Treasury Transaction(s) hereunder and the settlement of the payment of the Final Settlement Amount shall be made by debiting of any Account(s) with the amount of the Final Settlement Amount, unless agreed otherwise with the Client. For the purposes of the Conditions the Bank and the Client agree that the provision on the calculation of the Final Settlement Amount represents in respect of Treasury Transaction(s), where a special agreement on close-out netting does not set out otherwise, an agreement on close-out netting pursuant to applicable Legal Regulations governing conduct of business at capital markets.

#### **6.4 Special Provisions for Conclusion of Treasury Transactions through Electronic Trading System**

In case that the Client and the Bank conclude a Treasury Transaction using electronic trading system (e.g. using Internet application CitiFX Pulse, or using Reuters or Bloomberg electronic trading system etc) and, as a result of technical error, a foreign exchange rate, a price, an interest rate or other value is displayed in such electronic trading system that manifestly does not correspond to the actual situation on the applicable market as of the moment of conclusion of the Treasury Transaction and a Treasury Transaction is concluded through such electronic trading system using such off-market foreign exchange rate, price, interest rate or other value, the Bank shall be entitled to withdraw from such Treasury Transaction upon notice to the Client and to cancel such Treasury Transaction in such electronic trading system.

#### **6.5 Special Provisions for Provision of Banking Services and Products in Renminbi Juan Currency**

- (1) This Article of the Conditions shall only apply to the provision of banking services and products by Citibank to a Client in the Chinese currency Renminbi Juan (“**RMB**”), consisting, in particular,

in the opening and maintaining of Accounts in RMB, the execution of payment transactions in RMB, and the performance of conversions of selected currencies into or from RMB (the agreement on the provision of a banking service or product in RMB, hereinafter an “**RMB Agreement**”).

- (a) By entering into an RMB Agreement, the Client acknowledges that major restrictions in terms of international trading apply to RMB, which restrictions may change in future. By entering into an RMB Agreement, the Client further acknowledges that, in the provision of banking services and products in RMB, the Bank is obligated to comply with the relevant Legal Regulations and individual legal acts that apply to trading in RMB, in particular, the laws and individual legal acts of the People’s Republic of China, and to be more specific, those of the respective authorities, agencies and regulatory bodies of the People’s Republic of China, and agreements that the Bank concluded with third parties (clearing and settlement banks, in particular) in order to clear RMB trades (hereinafter “**RMB Legal Acts**”). In the event of any discrepancy between an RMB Agreement and RMB Legal Acts, the RMB Legal Acts shall prevail.
- (b) By entering into an RMB Agreement, the Client represents that it is familiar with legal regulations (in particular, the regulations of the People’s Republic of China or those of the relevant authorities, agencies and regulatory bodies of the People’s Republic of China) regulating trading in RMB, and undertakes to respect the same. Citibank points out to the Client that, with a view to the specific nature of RMB, RMB is denoted as “CNH” and “CNY”. The usage of various RMB codes is attributable mainly to the monetary and foreign currency policy of the People’s Republic of China.
- (c) The Client agrees that any information concerning the Client, the RMB trades between the Bank and the Client, the RMB Accounts of the Client (including information on payment transactions executed in such Accounts and on the balance in such Account), and banking services and products in RMB provided to the Client by the Bank may be disclosed by the Bank to the respective authorities, agencies and regulatory bodies of the People’s Republic of China and the clearing and settlement banks to the necessary extent required by the RMB Legal Acts.
- (d) The Bank may change the method of provision of banking services and products in RMB, may further refuse to provide them, or may terminate them, or may transfer any RMB amount from the Client’s Account, or may convert any RMB amount in the Client’s



Account to another currency:

- (A) If necessary to comply with the RMB Legal Acts or RMB Agreement;  
or
  - (B) If any fact occurs that makes it substantially impossible or difficult for the Bank to provide banking services or products in RMB or accept, exchange, convert or pay out RMB, if the provision of a banking service in RMB, or the acceptance, exchange, conversion or payout of RMB becomes impossible, illegal or objectively impossible to perform as a result of any circumstance not caused by the Bank, which circumstance or its effects could not have been reasonably expected to be reverted or overcome by the Bank, and also in the event of any other facts specified in paragraphs (1) through (5) of Article 3.2.
- (e) By entering into an RMB Agreement, the Client acknowledges and agrees that the Bank may lose its license to maintain accounts in RMB or provide banking services in RMB, or such license may be suspended (for an indefinite period of time in some cases) or may in fact be non-executable. To the maximum extent permitted by the relevant laws, the Bank in such case (and if the facts listed in paragraph (1)(d) of this Article 6.4 occur) shall not be liable for any damages, costs, expenses or charges or any other consequences for the Client as a result of measures adopted by the Bank, including lost deposits in RMB placed with the Bank through any RMB clearing or settlement bank or RMB custodian. In no case is the Bank liable to an extent greater than as determined in Article III of the present Conditions.
- (f) By entering into an RMB Agreement, the Client acknowledges and accepts, in particular, the following risks connected with RMB and the provision of banking services in RMB:
  - (A) Currency Risk: Trading in RMB is exposed to major currency risks, and RMB is currently not a freely convertible currency. The conversion of RMB into another currency or the provision of other banking services in RMB is regulated by the RMB Legal Acts, regulatory directives, currency limitations and other limitations that apply to the provision of banking services in RMB. The relevant legal

regulations, regulatory orders and relevant limitations may change at any time and may have unfavorable effects on the respective exchange rate, or may cause RMB conversion to another currency to be impossible, or such conversion to cause major loss. Conversion may be subject to certain restrictions, and such conversion from or to RMB may take longer than the conversion of other currencies. RMB is exposed to the risk of non-convertibility, non-transferability or non-tradability, and the risk pertaining to the international nature of RMB and also the risk of a substantial decline in the value of RMB;

- (B) Credit Risk: The credit risk of clearing and settlement banks and custodians for RMB, to which the Bank is exposed, may affect the availability, liquidity and convertibility of RMB that the Bank is to pay to the Client

## **VII. SPECIAL INFORMATION AND OTHER OBLIGATIONS OF THE BANK WHEN PROVIDING INVESTMENT SERVICES**

### **7.1 Information provided in connection with the Provision of Investment Services**

- (1) The information that the Bank is obligated to provide to the Client in connection with the provision of investment services in accordance with a special law regulating trading on capital markets is stated, inter alia, in the following documents published by the Bank:
  - (a) Information from Citibank Europe plc to Clients for the Purposes of Providing Investment Services;
  - (b) Information on the Investor Protection Scheme;
  - (c) Best Execution Rules; and
  - (d) Time Schedule for the Receipt and Processing of Orders in the Course of a Business Day and Certain Related Information

**("Information Documents")**.
- (2) The Client is obligated to familiarize itself with the Information Documents prior to entering into

any agreement concerning the provision of investment services by the Bank to the Client, and also before the Bank provides the Client with any instruction concerning an investment instrument.

## **7.2 Consent of the Client to the Method of Provision of Certain Information**

If the Client is able to receive information via remote access (i.e. via the Internet), the Client agrees by submitting a request to the Bank for provision of investment service that the Bank shall provide it with information relating to an agreement on the provision of investment services by the Bank to the Client (i.e. the information contained in the Information Documents) by means of a website of the Bank [www.citibank.cz](http://www.citibank.cz) (part Documents, section Foreign currency transactions), provided that

- (a) the information is not addressed personally to the Client;
- (b) provision of that information via above mentioned website is appropriate to the context in which the business between the Bank and the Client is, or is to be, carried on;
- (c) that information is up to date; and
- (d) the information is accessible continuously by means of above mentioned website for such period of time as the Client may reasonably need to inspect it.

## **7.3 The Client's Statement**

Upon conclusion of agreement based on which the Bank provides investment services to the Client, upon conclusion of Treasury Transaction or upon issuing an instruction in respect of an investment instrument or a request for an investment service to be provided by the Bank, the Client acknowledges and represents that the Bank has duly and sufficiently in advance prior to the execution of the transaction or prior to the provision of the service informed the Client on (i) its classification in the relevant category, and that the Client was informed of the right to apply for a change of its classification and on the related client protection regime, (ii) the Best Execution Rules, and that the Client understands the rules and agrees with their conditions; at the same time the Client in the given manner gives the Bank its consent to execute the instructions at the OTC market (i.e. outside the European regulated markets, multilateral trading facility or organised trading facility), and (iii) further facts specified in or related to the Information Documents. If the Client wishes to revoke or cancel such consent, it may be done at

any time during the term of the contractual relationship with the Bank in writing or in another agreed manner, provided the Client is aware that the given revocation or cancellation may result in an impossibility or limitation of further provision of the relevant investment services by the Bank.

#### **7.4 Provision of Legal Entity Identifier (LEI) by the Client and Related Representations**

If the Bank requires the Client to notify the Bank of Client's Legal Entity Identifier (LEI) in order to report Treasury Transactions on the basis of the Legal Regulations, the Client shall provide the Bank with LEI in the form compliant with Legal Regulation without undue delay. In case that the LEI is required for the purpose of reporting Treasury Transactions by the Bank or other reporting under the Legal Regulations, the Client also confirms and declares, upon conclusion of the Treasury Transaction, submission of the instruction regarding the investment instrument or the application for the relevant investment service, that this LEI is and shall remain valid for necessary period (i.e. at least for the period in which the Bank is authorized to execute the order or provide the investment service).

#### **7.5 Information Duties of the Bank with Respect to Clients Categorised as Professional Customers and Eligible Counterparties.**

While providing investment services, the Bank provides the Client with information concerning costs and associated charges. However, in case the Client is classified as professional customer and the investment instruments in question do not embed a derivative instrument, or if the Client is classified as eligible counterparty and the investment instruments in question do not embed a derivative instrument that the eligible counterparty intends to offer to its customers, the Bank shall not be obliged to provide the Client with costs and associated charges in line with requirements under Article 50 of the Commission Delegated Regulation (EU) 2017/565 of 25 April 2016, as amended.

#### **7.6 Duties of the Client in Case of Further Offering and Recommendation of Investment Instruments**

If, after the conclusion of Treasury Transaction, the Client further offers or recommends the corresponding investment instruments, the Client shall make all reasonable steps to ensure that investment instruments are offered or recommended to the target market in line with applicable Legal Regulations, including but not limited to, that the target market determined by the Bank is taken into account when the Client itself determines the target market.

## **VIII. SET-OFF; RIGHTS UPON CLIENT'S DEFAULT**

### **8.1 Right of Bank to Set-Off**

- (1) The Client may only set-off his claims against those of the Bank if the Client's claims are mature, not elapsed and undisputed or have been confirmed by a final, non-appealable court decision, an arbitration award or a non-appealable decision by an authority of public administration. The Client may not set off any other claims.
- (2) The Bank is authorized at any time to set-off and apply for this any and all deposits at any time held and other indebtedness at any time owing by the Bank to or for the benefit of the Client or his Account, against any and all of the obligations of the Client to the Bank now or hereafter existing, regardless of the currency in which any such deposit or Account is kept and irrespective of whether or not the Bank shall have made any demand with respect to such debt and regardless of whether such obligations have matured, and without any prior notice to the Client. The provisions of Section 1985 of the Civil Code shall not apply to the extent that such provision would limit Citibank's right to set off the funds placed in any Account against Citibank's receivables that did not arise from the respective Account agreement.
- (3) Claims denominated in foreign currency shall be set-off at the rate of exchange for purchases of such foreign currency set by the Bank on the day of set-off.
- (4) The right of the Bank to set-off the Bank's claims prevails in respect to the execution of any payment instruction relating to the Client's Account.
- (5) If reasonably practicable, the Bank shall inform the Client in advance that it will exercise its right of set-off its own claims against the Client's claims unless, in the judgment of the Bank, providing such notice would prejudice the rights of the Bank or jeopardize its ability to exercise its right of set-off.

### **8.2 Bank's Rights in the Event of the Client's Default**

- (1) If the Client does not duly and timely meet its obligations arising from the business relationship with the Bank, then, following written notification and the provision of a reasonable time limit to rectify the situation, the Bank may accelerate all of the Client's monetary obligations towards the Bank under the respective business relationship. Subject to the terms set out in the previous sentence, the Bank may also accelerate all of the Client's obligations towards the Bank that arise from any other business relationships with the Client.

- (2) Once obligations are accelerated in accordance with Sub-Section (1) of this Article 8.2, the respective monetary obligations of the Client shall become due, regardless of their original maturity.

## **IX. DEBT SECURITY**

### **9.1 Bank's Right to Debt Security**

- (1) The Bank has the right at any time to request the Client to provide appropriate security or confirm to the Bank, whether in addition to an existing security or confirmation or to secure or confirm a previously unsecured debt, to the extent deemed necessary by the Bank to ensure the repayment to the Bank of all outstanding debts of the Client to the Bank, even if such debts are limited as to condition or time, or are not yet due. The security referred to in the previous sentence is deemed to mean, in particular, the establishment of a pledge, guarantee, financial guarantee, financial security and assignment by way of security, with the exception of financial security of the Bank's receivables connected with provision of investment services towards Clients categorised as non-professional customers in case that the financial security would be in the form of title transfer financial collateral arrangement. Confirmation shall be deemed to mean, in particular, debt recognition.
- (2) The Client shall ensure the maintenance of all properties provided to secure a debt in favor of the Bank, in particular, in terms of the value of movables and immovables, including the Client's rights and obligations, and in terms of the enforceability of the Client's claims. The Client shall inform the Bank in writing without delay of any changes in the value or saleability of any such security. The Client shall maintain explicit identification in its books and records and appropriately label all collateral provided to the Bank to indicate that the Bank holds a Security in such collateral.
- (3) The Client shall insure everything that was provided to the Bank as security of the client's debts or that was acquired using a loan from the Bank, to the extent required by the Bank in the applicable agreement governing the security or loan. Insurance must cover all insurable risks. The Client shall assign to the Bank any insurance benefits paid out under an insurance policy up to the amount of all debts of the Client towards the Bank (regardless of their maturity). The Client shall notify the respective insurance company of the assignment of insurance benefits and provide the Bank with confirmation from the respective insurance company demonstrating its consent to the assignment. Where it is objectively impossible to obtain such confirmation, in particular, due to the failure of the respective insurance company to act, the Client shall provide

the Bank with proof that the insurance company has been informed of the assignment of insurance benefits. Any amount paid out under the respective policy shall be used to repay the receivable so-secured, even if before maturity. The Bank and the Client may agree that instead of using the amounts paid out under the policy to repay the loan, the Client will establish security over other things of a value of at least equal to that of the destroyed or lost things, which comprised the original security. Any amount paid out under the policy of insurance which exceeds the Bank's claims against the Client shall be paid to the Client.

- (4) The Bank is entitled to inspect, including in the registered office, business place and/or place of residence of the Client, whether the security for its claims is sufficient and whether the assets provided as security are being reasonably handled, operated, safeguarded and identified as being provided to the Bank.
- (5) If the Client fails to fulfill their debts when due, the Bank, in its sole discretion, is entitled to foreclose upon any security provided to the Bank in accordance with all applicable Legal Regulations, and provided that such agreement was concluded in accordance with an agreement with the Client.
- (6) In the interest of an expedient settlement of its claims, the Bank, in its sole discretion, is entitled to satisfy its claims from any of the Client's assets provided as security.
- (7) The Bank, in its sole discretion, may relinquish all or any portion of the assets provided as security if it does not deem such assets necessary to secure its claims against the Client.
- (8) All costs and expenses related to the provision, maintenance, handling and execution of security or confirmation of debts of the Client, unless expressly agreed otherwise with the Client in writing, shall be paid by the Client to the Bank.
- (9) The Client undertakes to provide the Bank at least with the same type and quality of security (in particular, in terms of the ranking of such security) as it does for any of its other creditors, unless agreed otherwise in writing by the Bank.
- (10) Without the Bank's prior written consent, the Client may not sell, donate or otherwise dispose of assets provided to the Bank as security, and may not pledge or provide those assets as security for any debt or for any other purpose to a third party, unless the Legal Regulations provide otherwise. The prohibition set out in the previous sentence shall continue to exist for the entire term of existence of an obligation under the respective security agreement between the Bank

and the Client. The prohibition under the previous sentence is established as a right in rem, with the Client to ensure that these duties are promptly entered in the relevant public register or Register of Pledges upon the Bank's request.

- (11) Upon the Bank's request, in order to secure its debts, the Client shall pledge any things in favor of the Bank that were handed over to the Bank by the Client or in favor of the Client and that are being held by the Bank or by a third party on behalf of the Bank.
- (12) Upon the Bank's request, in order to secure its debts in favor of the Bank, the Client shall pledge all its Accounts kept with the Bank or any and all existing and future claims of the Client towards the Bank, in particular, any funds placed in the Accounts kept by the Bank for the Client or any Client's claims towards the Bank under such Accounts, or perform assignment by way of security in relation to such claims, funds or Accounts as requested by the Bank.
- (13) The security referred to in the foregoing Sub-Sections 10 and 11 of this Article 9.1 shall not attach with respect to securities deposited with the Bank exclusively for specific purposes such as the collection of interest, redemption payments or dividends, obtaining new coupon or dividend sheets, effecting conversions of securities or the exercise of the right to attend meetings on behalf of the Client.
- (14) The Bank shall not have the right to sell any security provided to it as security for the debts of the Client to the Bank, unless such debts have become due and payable or unless the security is transferred together with the secured debt. The Bank shall provide the Client with written notice of the sale by the Bank of any pledged security, within a reasonable period of time following such sale.
- (15) The provisions of Section 1374(2) of the Civil Code shall not apply to the extent in which the Bank would otherwise be obligated to place the proceeds from the sale of collateral exceeding the secured debts, including interest and fees and costs, to the compensation of which it is entitled, in judicial escrow in favor of creditors under other claims covered by a pledge and in favor of the Client.
- (16) The Client shall provide the Bank with all cooperation that the Bank may seek in connection with the reservation concerning Section 593 of the Civil Code. Pursuant to the said provision, the Bank may reserve the right to seek the ineffectiveness of a legal act of the Client by communicating the reservation via a notary public, distrainer or court to the person to whom it will be able to appeal in respect of the ineffectiveness of the legal act.



## **X. CHARGES, WITHHOLDINGS, LEGAL FEES AND OTHER COSTS**

### **10.1 List of Charges**

- (1) Charges, commissions and other expenses (the “**Fees**”) charged by the Bank are set forth in a list of charges available on the Bank business premises and published respectively (the “**List of Charges**”). Fees stated in the List of Charges do not include the value added tax, and if the Value Added Tax Act stipulates that it is a case of a taxable performance then the value added tax in a legally set amount shall be added to the Fees.
- (2) The Bank reserves the right to amend the List of Charges subject to the terms ~~given stated in the List of Charges in Article 12.19 of the present Conditions.~~
- (3) For the services provided to the Client by the Bank, which are not mentioned explicitly in the List of Charges, the Bank will charge the Fees agreed upon with the Client individually prior to the provision of such service or the amount of the Fees which are usual in the given place and at the given time.

### **10.2 Withholdings**

- (1) The Client agrees that the Bank, any member of Citigroup or any Service Provider may withhold or deduct any amount collected on account of a withholding tax, income tax, value added tax, any transaction or property tax and/or on account of any duty imposed by a Legal Regulation (a “**Collected Amount**”), which must be withheld or deducted in accordance with a Legal Regulation from any payment to the client or transaction in favor of or from the account of the Client or other account. The Collected Amount shall be transferred to the respective Authority in accordance with the respective Legal Regulations. Such withholding or deduction of the Collected Amount shall be promptly communicated to the Client. The Client acknowledges that the Bank is not required to compensate the Client for any amounts withheld or deducted by a Payment Infrastructure Provider.
- (2) The Client acknowledges that the Bank is not obligated to contest any instructions issued by any Authority to perform the payments specified above.

### **10.3 Legal Expenses and Other Costs**

- (1) The Client shall be obliged to reimburse and indemnify the Bank for all costs of legal counsel incurred by the Bank in the settlement of disputes between the Client and the Bank, unless a

court or similar competent authority shall determine otherwise.

- (2) The Client shall be obligated to reimburse and indemnify the Bank for any costs which the Bank incurs in or out of court should the Bank become involved in legal proceeding or disputes between the Client and a third party.
- (3) The Client shall indemnify the Bank, a Citigroup member or any of their Service Providers for any costs and expenses incurred due to the fact that the Bank, a Citibank member or any of their Service Providers has made or will make out of its own funds, or, as the case may be, will be required to make, a payment in favor of an Authority, which payment should have been, but was not a Collected Amount within the meaning of paragraph (1) of Article 10.2, including any and all interest and penalties accrued thereon.
- (4) In addition to the foregoing, the Client shall, to the extent reasonable, be obligated to reimburse and indemnify the Bank for all other costs and expenses incurred by the Bank to which the relationship with the Client gives rise including, without limitation, telephone costs, postage, notarial fees, and storage charges for collateral, entry of the collateral in the respective public register or Register of Pledges, or other acts necessary to establish the security or the costs connected with the reservation pursuant to Section 593 of the Civil Code.

## **XI. TERMINATION**

### **11.1 Notice of Termination and its Effectiveness**

- (1) Unless agreed otherwise between the Client and the Bank in writing, the Client may terminate any of its legal relationships with the Bank (including the Framework Contract, as this term is defined in Annex No. 1 or in any part thereof) at any time and for any reason by giving a thirty day~~one month's~~ written notice of termination; and the Bank may terminate any of its legal relationships with the Client (including the Framework Contract or any part thereof) at any time and for any reason by giving the Client a thirty day~~one month's~~ written notice of termination or ~~shorter written notice of termination to the Client~~, where the Bank reasonably concludes that the shorter time limit is necessary for the fulfillment of obligations that the Bank or any Citigroup member has from a Legal Regulation, a shorter written notice of termination. The notice period shall start as of the date of delivery of the notice to the other party.
- (2) The Bank and the Client may further terminate their legal relationship based on termination notice provided in accordance with Article 12.19 of these Conditions.

- (3) If the contractual relationship established by the Framework Contract or the relevant part thereof does not last six months, in the case of notice of the Framework Contract or the relevant part thereof by the Client, the Bank shall be entitled to consideration for this notice in an amount stipulated in the List of Charges.
- (4) Following the receipt of the notice by the other party, all outstanding debts of the Client under the respective legal relationship shall be promptly repaid. The present Conditions shall remain in full force and effect until all of the Client's debts towards the Bank have been settled.

## **11.2 Consequences of Termination**

- (1) Upon termination and except as otherwise agreed to in writing, under the applicable Legal Regulations or by the Bank, the claims of the Client and the Bank from the given relationship become immediately due. Following termination of the relationship, the Bank has the right to immediately exercise all of its rights contained in these Conditions and all then existing agreements between the Client and the Bank without notifying the Client.
- (2) Following termination and during the pendency of any insolvency or similar proceedings, liquidation or other reorganization involving the Client, and until all claims of the Bank against the Client are satisfied in full, these Conditions shall remain in full force and effect.
- (3) The Client acknowledges and agrees that in the case of closure of his Account, the Bank shall cease, with respect to this Account, to provide all products and services which the Bank provided with respect to this Account as at the time of its closure.

## **XII. MISCELLANEOUS**

### **12.1 Acceptance of Selected Documents**

Documents, whose samples have been sent to the Client via electronic means (namely via e-mail) or handed over to it on a magnetic or other data carrier, can be modified by the Client only that to the extent of data determined by the Bank for such purposes. In the event that these documents have been filled in, modified or otherwise changed by the Client in other manner than was determined by the Bank and the Bank carries out activities described in or required by the documents, the Client undertakes to indemnify the Bank for any damage and expenses that will be caused to the Bank as a result of its acceptance of such documents and the activities carried out on its basis.

## **12.2 Place of Performance**

Unless specifically agreed otherwise in writing with the Bank, the Client and the Bank shall perform all of their obligations solely at the offices of the Bank's branch, in Czech "organizační složka", in the Czech Republic, or at the offices of the Bank's branches in the Czech Republic, to the maximum possible extent permitted by the respective Legal Regulations of the Czech Republic and the individual legal acts binding on the Bank.

## **12.3 Currency of the Performance**

The mutual debts of the Bank and the Client are payable in the agreed upon currency. In the case that such a currency ceases to exist, such debts shall be settled in the currency which substituted it and, in its absence, in the legal currency of the Czech Republic.

## **12.4 Duty of the Client to Co-operate**

- (1) The Client shall be obligated by virtue of its relationship with the Bank to co-operate with and inform the Bank without delay of all significant facts and changes that relate to the Client or might have an impact upon its transactions or business relationship with the Bank, or which may be lawfully required by the Bank in connection with the fulfillment of obligations arising from the Legal Regulations on the part of the Bank or any Citigroup member.
- (2) The Client shall inform the Bank in writing of any necessary contact data, namely of the address (or any changes in the address) to which documents intended for the Client are to be sent. If the Client and the Bank introduce notification of information within their reasonable practice related to the provided banking services via the Internet (on the agreed website of the Bank) and/or other electronic communication (including the Client's e-mail address intended for such purpose), the Bank shall be entitled to provide or make available the relevant information to the Client in also in this manner. Unless the Client notifies the Bank otherwise in writing or unless agreed otherwise between the Bank and the Client in writing, the Bank is entitled to expect and the Client hereby warrants that (i) the Client has an access to the Internet at any time and agrees with such manner of communication via the Internet, and/or (ii) upon the provision of the specified e-mail address the Client gives its consent to the Bank to notify the Client of any relevant information in this manner. The Client is entitled to revoke or cancel its consent to provide notices via the Internet or his specified e-mail address at any time, provided such revocation or cancellation of its consent shall be effective vis-à-vis the Bank from the business day following the day the Bank receives such written notice from the Client. The Bank is in any

case entitled to provide or make available such information only in the scope and manner as allowed by applicable Legal Regulations or by a written agreement with the Client.

- (3) For the sake of the proper settlement of business transactions, the Client shall promptly notify the Bank of any changes in the Client's name and address, contact data, or business name, as well as the perfection, amendment, supplement or termination of any powers of representation towards the Bank conferred upon any person (in particular, by virtue of contractual proxy or representation through members of the Client's bodies), regardless of whether such information is recorded in the respective public register (e.g. in particular, in the Commercial Register).
- (4) The Client shall promptly inform the Bank in writing of any entry, amendment or deletion of any information contained in a public register or Register of Pledges that concerns the Client or any agreement between the Client and the Bank. If the Bank does not receive the notice from the Client referred to in the previous sentence, the Client shall be liable for any damage resulting therefrom.
- (5) The Client shall inform the Bank without delay of any changes affecting the Client's identity or legal status.
- (6) The Client shall provide to the Bank on request all information necessary for the Bank in connection with its evaluation of the Client and its transactions with the Bank. In the case of the relevant investment services the Client is obliged to provide information on its knowledge and experience in the investment field, its financial situation and its investment objectives (as the case may be), in particular in the scope and form acceptable for the Bank to assess the appropriateness and/or suitability of the investment services or products for the Client in accordance with the applicable Legal Regulations regulating capital markets (if and when applicable). Furthermore, the Client is obliged to notify the Bank in writing of any and all economic or legal circumstances, including if the Client declares bankruptcy or threatening bankruptcy or liquidation in accordance with the provisions of the Commercial Code and Act No. 182/2006 Coll., the Insolvency Act, as amended, and any change in the organizational form which may occur in accordance with the transformation, change of corporate form or any similar transformation of the Client which have or may have an adverse effect or potentially adverse effect on the claims of the Bank or the solvency, economic and financial prospects and creditworthiness of the Client. The Client is liable, i.e. the Bank is not liable for any damage or loss incurred by the Bank or the Client as a result of (i) a failure of the Client to provide any required information pursuant to this Article 13.4 to the Bank duly and immediately, and/or

(ii) the fact that the Client provided deceiving, misleading, false or incomplete information.

- (7) If the Bank agrees with the Client in writing that the Bank shall send the Client written confirmation concerning any legal act between the Bank and the client, and the Client does not receive such confirmation in a timely manner, then, in the interest of preventing or minimizing loss, the Client undertakes to inform the Bank without undue delay. If the Client fails to comply with this obligation, the Bank shall not be responsible for any losses of the Client resulting therefrom.

## **12.5 Telephone Recording**

The Bank and the Client consent to the recording of the telephone conversations of personnel and collaborators of both parties in connection with certain Treasury Transactions or various services provided by the Bank to the Client. The Client undertakes to inform his personnel or collaborators of this fact and to ensure their consent to the recording of the telephone conversations. The voice recordings shall be accepted by the Client and the Bank as support material and to the fullest extent permitted by applicable law, as conclusive evidence of the communication so recorded. The Bank hereby notifies the Client, that their telephone conversation that leads or may lead to conclusion of transaction concerning investment instrument will be recorded.

## **12.6 Delivery**

- (1) The Bank will deliver any communication and documents designated for the Client to the mailing address, the address of the electronic mail and the fax or telephone numbers to be announced to it for the purpose by the Client. The Client takes into account that in the case that communications or documents are sent by electronic mail, there can occur their abuse by a third person, for which the Bank will not be held responsible on condition that such an abuse was not by its fault. The Client is obliged to inform the Bank without undue delay on any change in such data; for the Bank, this change is effective starting from the business day following the day when the Bank has received from the Client the above mentioned information.
- (2) Unless agreed upon otherwise, the Client will deliver all communications and documents designated for the Bank to the mailing address and the fax numbers of the Bank's branch in the Czech Republic - Citibank Europe plc, organizační složka.
- (3) The communications or documents sent to the Client using postal service are considered as

delivered at the moment when the Client receives the corresponding communication or document, otherwise at the moment (i) when the Client rejects to receive the corresponding consignment or (ii) on the third day (if the consignment was sent to an address in the Czech Republic) from the day the consignment was sent or on fifteenth day (if the consignment was sent to an address abroad), even in the case that the delivery of the consignment did not become known to the Client or he did not stay at the place of the delivery.

- (4) The Bank is authorized to send, at its discretion, all the consignments, including monies, addressed to the Client or to persons appointed by the Client, in the manner which is usual in the banking, either insured or non-insured, as ordinary or registered letters, giving the value of the consignment or not, unless the Client has given a different instruction to the Bank. The Client bears the danger of loss, damage or destruction of the consignment on its way to the Client or to another person, for which such a consignment is forwarded under the Client's instruction or in connection with it.

#### **12.7 Applicable Law**

The Conditions shall be governed by the Legal Regulations in force in the Czech Republic.

#### **12.8 Language and language versions of the Conditions**

- (1) The Client is entitled to communicate with the Bank in the Czech language. The Bank may in individual cases agree to communicate also in the English language. Those languages will be used by the Bank also to provide relevant information or conclude agreements or contracts with the Client.
- (2) The Conditions are executed in the Czech language, whereas these may be translated into the English language as a whole or in part. In case of any discrepancy between the two versions the Czech version shall prevail.

#### **12.9 International Conventions and Usages**

Duly published international conventions and usages relating to banking transactions, to the extent applicable and not in conflict with the coercive standards of Czech law, govern the transactions and relationship between the Client and the Bank. If such conventions or usages deviate from or conflict with the Conditions or an agreement between the Client and the Bank, the present Conditions or the agreement between the Client and the Bank shall prevail.

#### **12.10 Settlement of Disputes, Place of Jurisdiction**

- (1) The Bank and the Client shall endeavor to settle all legal conflicts arising from their relationships through good faith negotiations.
- (2) Unless otherwise agreed to in writing by the Bank, in the event of a dispute arising out of or relating to the relationship between the Client and the Bank, such dispute shall be resolved exclusively by submission for resolution with a court in the Czech Republic in the jurisdiction of territorial competence of which is the registered seat of Citibank Europe plc, organizační složka. This agreement on the place of jurisdiction shall apply equally to both Czech and foreign Clients.
- (3) Notwithstanding the foregoing, the Bank, if acting as the plaintiff, is entitled in its sole discretion to bring a dispute not only before a Czech court, but also before any foreign court having the territorial and subject matter jurisdiction over the Client.

#### **12.11 Assignment of Agreements, Parts Thereof, or Rights Thereunder, Assumption Of Debts**

- (1) Except upon the prior written consent of the Bank, the Client shall not be entitled to assign, transfer, amend, pledge or otherwise encumber or dispose of any agreement entered into with the Bank (and possibly other persons), any part thereof or individual rights arising therefrom, or any of the Accounts, and the Client shall no longer be entitled to agree with a third party on any assumption of debt under any agreement entered into with the Bank (and possibly other persons) for the duration of the relevant agreement. The prohibition under the previous sentence is established as a right in rem, with the Client to ensure that these duties are promptly entered in the relevant public register or Register of Pledges upon the Bank's request.
- (2) The Bank is entitled to assign or transfer to any member of Citigroup any agreement entered into with the Client (and possibly other persons), any part thereof or individual rights arising therefrom, and is entitled to agree with any member of Citigroup on any assumption of debt under any agreement entered into with the Client (and possibly other persons) at any time and at its sole discretion. The assignment becomes effective toward the Client upon notification. The Client is obliged to confirm the receipt of such notification vis-a-vis Bank in writing.
- (3) As of the moment at which the assignment or transfer under paragraph 2 of this Article 12.11 becomes effective, the Bank has fully relieved itself of the obligations that were assumed by the third party, or that arise from the assigned agreement or part thereof, and the Bank does not guarantee the fulfillment of those obligations, nor is it liable for their potential infringement.



Section 1899 of the Civil Code will not be applied in the case of such assignment or transfer. The Client is aware and agrees that such prior objections vis-à-vis the Bank as may have been available to them before the assignment of the agreement or part thereof pursuant to paragraph 2 of this Article 12.12 do not survive the assignment.

#### **12.12 Severability of Provisions**

The invalidity or unenforceability of any provision of these Conditions in any jurisdiction shall not be prejudicial to the validity and enforceability of such provision in any other jurisdiction or the validity or enforceability of other provisions of the present Conditions in any jurisdiction, if a legal act would occur even without such invalid part, provided that Citibank were to identify the invalidity in time.

#### **12.13 Complaints Handling**

Claims about services and complaints of the Client shall be settled by the Bank pursuant to the Bank's Rules for Processing of Complaints for Legal Entities. The Complaints Handling Rules are published by the Bank. Any changes to the Complaints Handling Rules will be published by the Bank without delay. If following the publication of any change to the Complaints Handling Rules the Client gives any instruction to or requests a banking service from the Bank or if the Client fails to terminate the relevant contract or agreement with the Bank within one (1) calendar month following the publication of any change to the Complaints Handling Rules (whichever occurs first), the Client shall be deemed to agree with the changes made to the Complaints Handling Rules.

#### **12.14 Change of Circumstances**

The Client accepts the risk of changes in circumstances that may occur following the conclusion of a contract or agreement with the Bank. This provision excludes:

- (a) The Client's right to seek vis-à-vis the Bank that negotiations concerning the particular agreement or contract be restored, even if the change in circumstances is so substantial that it would cause a gross disproportion in the parties' rights and obligations to the detriment of the Client, either by a disproportional increase in the costs of performance or a disproportional reduction in the value of the subject of performance, which could not have been reasonably anticipated or influenced by the Client, or even if such fact did not occur until after the conclusion of the respective contract or agreement or did

not become known to the Client until after the conclusion of the respective agreement or contract; and

- (b) The Client's right to seek the cancellation of an obligation under a contract or agreement, regardless of whether, following the conclusion of the respective agreement or contract, the circumstances from which the Client probably proceeded at the time of perfection of the obligation have so changed that it is impossible to reasonably expect the Client to continue to be bound by the agreement or contract.

#### **12.15 Exclusion of Third-Party Rights and Third-Party Performance**

- (1) No third party obtains any direct rights under agreements or contracts concluded between the Bank and the Client, even if the performance thereunder is to serve mainly for the benefit of the third party. Pursuant to this provision, a third party is deemed to mean any party that is not a contracting party of the respective agreement or contract.
- (2) Pursuant to Sections 1936(1) of the Civil Code, the Bank is not obligated to accept any performance offered by a third party with or without the consent of the Client.

#### **12.16 Publication of the Conditions and other information and documents of the Bank**

The Conditions or other relevant information and documents of the Bank shall be considered to be published in accordance with these Conditions when a given piece of information or a document are provided or made available at publicly accessible premises of the Bank, in the List of Charges, the Info Sheet (as defined in Annex No. 1 hereto), via fax, mail or on the Internet site of the Bank ([www.citibank.cz](http://www.citibank.cz)), or by means of another agreed electronic communication (e.g. the Client's e-mail address).

#### **12.17 Exclusion of Provisions of Contracts of Adhesion**

Pursuant to Section 1801 of the Civil Code, the Client and the Bank diverge from the provisions of Sections 1799 and 1800 of the Civil Code on contracts of adhesion, whereby the potential invalidity of these Conditions, the respective product conditions or any contracts or agreements concluded between the Bank and the Client due to a conflict with provisions of contracts of adhesion is excluded, including, without limitation, the invalidity of:

- (a) Articles referring to Conditions outside the wording of the respective agreement or contract, where the Client was not advised of their meaning, and where the Client is

not demonstrated to possess knowledge of their meaning;

- (b) Articles that can only be read with particular difficulty, or Articles incomprehensible to persons of average intellect, even if they are detrimental to the Client and the Client was not adequately advised of their meaning; and
- (c) Articles that are particularly onerous for the Client without reasonable grounds, especially where the respective agreement or contract diverges significantly and for no special reason from conditions customarily agreed in analogous cases.

#### **12.18 Bank in the Position of a Mandatary or Commission Agent**

Where the Bank acts as a mandatary or commission agent of the Client, the following rules, which deviate from the Civil Code, shall apply:

- (a) The Bank may commission another person to execute an order or arrange a matter, whereas in such case, the Bank shall only be liable for the careful selection of such person;
- (b) The provisions of Sections 2432 and 2460 of the Civil Code shall not apply and the specific conditions shall be set out in the respective agreement or contract with the Client;
- (c) The Bank shall not guarantee the performance of an obligation by the person whom the Bank retained for the performance thereof, regardless of whether the Client's instructions concerning the person with whom an agreement should have been concluded were fulfilled;
- (d) Where the Bank suffers damage in the execution of an order (actual damage, lost profit), the Client shall compensate the Bank in full;
- (e) The Bank may at any time terminate an order with immediate effect, whereupon it is not required to compensate the Client for any damage resulting therefrom;
- (f) If the Bank commissions the Client's matter under conditions more favorable than determined by the Client, the benefit shall go to the Bank; and
- (g) The Bank is not obligated to enforce an obligation for the account of the Client, if a third party fails to meet an obligation under an agreement concluded between such

third party and the Bank.

## 12.19 Amendments of the Conditions

- (1) The Bank shall be entitled to amend or supplement the Conditions at any time. The Bank shall publish any change or amendment to the Conditions no later than ~~1-thirty calendar days~~ month prior to the date the change or amendment is to take effect and, where applicable, inform the Client of the change or amendment in an appropriate manner within the same time limit. The Client shall be deemed to have accepted the proposed change or amendment to the Conditions if (i) the Client fails to reject the change or amendment by a written notice delivered to the Bank no later than on the Business Day prior to the date the change or amendment is to take effect; (ii) the Bank informs the Client of this consequence in the proposed change or amendment; (iii) the Bank informs the Client in the proposed change or amendment of the Client's right to terminate the contractual relationship with the Bank if the Client disagrees with the proposed change or amendment. If the Client rejects the proposed change or amendment, the Client has the right to terminate the contractual relationship with the Bank before the date the change or amendment is to take effect, effective immediately; in this case the termination shall be exercised free of charge. This notice of termination, containing also the Client's refusal of proposed changes or amendment has to be delivered to the Bank before the date the change or amendment is to take effect.
- (2) The Bank is entitled to join the proposed change or amendment of the Conditions with its termination notice for the case that the Client rejects the change or amendment but does not terminate the contractual relationship. The termination period of such notice shall expire on the date preceding the date on which the change or amendment is to take effect.
- (3) Paragraph (1) and (2) of this Article 12.19 shall also apply to any change or amendment to the Framework Contract or any part thereof (including ~~the List of Charges and~~ the Info Sheet) proposed by the Bank, unless the Client and the Bank have agreed otherwise. An exception from the previous sentence is the List of Charges which the Bank changes or amends in accordance with relevant provisions of the List of Charges.
- (4) The Client and the Bank acknowledge and agree that:
  - (a) these Conditions (or other documents to be amended in accordance with this Article 12.19 ("**Other Documents**")), may, by definition, reasonably require an amendment of these Conditions (or Other Documents) at a later date;

- (b) in accordance with this Article 12.19, the Bank may amend the provisions of these Conditions (or Other Documents) in accordance with the customary business practice of banks and foreign bank branches operating on the Czech market, or with a view to legislative changes affecting the business of the Bank and other members of Citigroup;
- (c) any amendments referred to in item (ii) above shall be deemed reasonable for the purposes of Section 1752(1) of the Civil Code;
- (d) the provision of Section 1752 (2) of the Civil Code shall not apply to the extent that it limits the Bank's ability to amend these Conditions and Other Documents pursuant to this Article 12.19, and amendments effected by the Bank pursuant to this Article 12.19 shall not be deemed to constitute changes triggered by a change of circumstances that must have been foreseen by the Bank upon the conclusion of the applicable agreement or contract, nor changes triggered by a change of the Bank's personal or financial standing; and
- (e) for the purposes of Section 1752 (1) of the Civil Code, any obligation to settle debts arising under agreements or contracts between Bank and the Client and payable upon termination of such agreements or contracts shall not be deemed to constitute special obligations onerous for the terminating party if such contracts or agreements are terminated by the Client.

#### **12.20 Amendments of Agreements and Contracts**

- (1) Any and all banking and related agreements and contracts concluded between a Client and the Bank may only be amended by a written agreement, unless the Bank makes a written reservation that amendments may also be performed orally.
- (2) The provisions of Section 1740(3), sentence one, of the Civil Code shall not apply to any obligations of the Client and the Bank to which these Local Conditions apply. If the Client makes any amendments to or deviations from (except for filling in all the required information) any proposal of the Bank for the conclusion of an agreement (including the present Conditions), which substantially or insubstantially change the conditions of the Bank's proposal for the conclusion of an agreement, such agreement is not entered into until the Bank gives its express consent to the amended proposal (such agreement is not entered into based on the Bank's non-rejection of such consent without undue delay).

## 12.21 Special Provisions for Contracts Published in the Contract Register

- (1) If the contract between the Bank and the Client is a contract that shall be published in the contract register under Act No. 340/2015 Coll., the Contract Register Act, as amended (the “**Contract Register Act**”), and the contract has been concluded on or after 1st July 2017, such agreement shall become effective on the date of its publication in the contract register under the Contract Register Act.
- (2) The Bank shall be authorised, however not obliged, to arrange for publication of any contract between the Bank and the Client, to which a publication duty under the Contract Register Act applies. In case that the Client has arranged for publication of any contract between the Bank and the Client, to which a publication duty under the Contract Register Act applies, the Client shall be obliged to notify the Bank in writing of such publication in the contract register without any delay thereafter.

## 12.22 Effectiveness of Conditions

These Conditions shall become valid and effective on 15 ~~December~~May 2019~~22~~. These Conditions shall fully replace the General Business Conditions of Citibank Europe plc, organizační složka for legal entities and entrepreneuring individuals in effect from 15 ~~September~~December 2019 (the “**Original Conditions**”). All contractual relationships between the Client and the Bank, which until now have been governed by the Original Conditions, shall be governed by these Conditions.

## **Annex No. 1 – Terms of Payment Services**

This Annex No. 1 – Terms of Payment Services (the “**Annex**”) is an integral part of Part A of the General Business Conditions of Citibank Europe plc, organizační složka (*General Rules Governing the Relationship between the Bank and its Clients*) (the “**Conditions**”) and may be amended in accordance with Section 12.19 (*Amendments to Conditions*) of the Conditions.

### **1. Terms and Definitions**

For the purpose of this Annex, the terms below shall be defined as follows:

“**EEA**” means the European Economic Area;

“**EEA Transaction**” means a payment transaction which is (i) provided by the Payee’s provider in a Member State in the case of outgoing payment transactions of the Client where the Bank acts as the Payer’s provider or (ii) provided by the Payer’s provider in a Member State in the case of incoming payment transactions of the Client where the Bank acts as the Payee’s provider;

“**Info Sheet**” means a notice defining, among other details, further conditions regarding the provision of Payment Services;

“**Member State**” - a member state of the European Union or any other state that is a party to the Agreement on European Economic Area;

“**Opening Hours**” mean the part of a business day the Bank carrying out a payment transaction usually carries out the activities necessary for the completion of the payment transaction. To avoid any uncertainties, the Opening Hours may vary according to the type of payment transaction;

“**Payer**” means a user from whose payment account money is to be debited to make a payment transaction or who makes money available for a payment transaction to be made;

“**Payee**” means the user whose payment account is specified in the payment order to be credited money to or to whom the money is to be made available;

“**Payment Account**” is an account for making Payment Transactions. Payment Account of the Client is not, in particular, a Deposit Account or an internal account on which the Client’s deposit is kept;

“**Payment Instrument**” means a device or a set of procedures agreed between the payment service provider and the payment service user that are related to the user and that the user utilizes in making a payment order (such as payment cards, Internet banking, phone banking, etc.); hard copy payment orders

received are not Payment Instruments;

**“Payment Order”** means a direction to the provider whereby the Payer or the Payee requests that a payment transaction be made;

**“Payment Service”** means a service as defined by the Payment System Act allowing

- (a) money to be deposited to a payment account;
- (b) money to be withdrawn from a payment account;
- (c) money to be transferred at the Payer’s request;
- (d) money to be transferred at the Payee’s request upon approval given by the Payer to the Payee, the Payee’s provider or the Payer’s provider;
- (e) money to be transferred upon an action with a Payment Instrument;
- (f) payment instruments and devices for accepting payment instruments to be issued and administered;
- (g) other Payment Services under the Payment System Act;

**“Payment Transaction”** means depositing money to a payment account, withdrawing money from a payment account or the transfer of money, if such transaction is made within the framework of Payment Service;

**“Payment System Act”** means Act No. 370/2017 Coll., on Payment Systems, as amended;

**“SEPA Area”** means the area comprising the countries involved in the EU project known as SEPA (Single Euro Payments Area);

**“SEPA Regulation”** means Regulation (EU) No 260/2012 of the European Parliament and of the Council of 14 March 2012 establishing technical and business requirements for credit transfers and direct debits in euro and amending Regulation (EC) No 924/2009;

**“Unique Identifier”** means a combination of letters, digits or signs to identify the user or his account in the execution of payment transactions, as defined by the provider.

The capitalized terms used, but not defined herein shall have the same meaning as ascribed to them in the



Conditions.

## 2. Description of Payment Services

The Bank provides Payment Services within the meaning of the Payment System Act in the extent as defined in this Annex, the List of Charges, Info Sheet, Current Account Agreements, Card Issuance Agreements, and other agreements or documents providing for the provision of payment services, and which are provided and made available by the Bank. Any such terms, agreements, and documents providing for the provision of payment services in the meaning of the Payment System Act constitute a payment services agreement in the meaning of the Payment System Act (the “**Framework Contract**”).

The provisions of this Annex shall only apply where the Bank provides payment services under the Payment System Act, and such Articles shall supplement and take precedence over the provisions of the Conditions and the provisions of the CitiDirect Conditions, insofar as these parts regulate payment services in accordance with the Payment System Act.

The Bank provides the payment services specified below and those agreed between the Bank and Client:

- **Domestic Outgoing Payment**

Payments in Czech crowns debited from the Client’s payment account to an account in the Czech Republic.

Item description on payment account statement: CZK PAYMENT AUTO

- **SEPA Outgoing Payment**

Payments in EUR debited from the Client’s payment account, transferred within the SEPA Area and complying with the following conditions: Via the electronic banking application, the Client shall enter the SEPA type of payment where the beneficiary’s account number in IBAN format and other data specified therein need to be filled in. Payment submitted via SEPA payment type is generally considered as non urgent and low value payment, however the amount limit is not set. Although such payment is received by the Payee’s provider in the Members State which has the euro as its currency from the Member State which does not have the euro as its currency, SEPA payment is credited to the Payee under the conditions of domestic payment.

Item description on payment account statement: SEPA CR TFR PYMT AUTO

- **SEPA Outgoing Payment - Bulk**

SEPA Outgoing Payments from the Client's payment account debited in one bulk amount which equals to the sum of individual SEPA Outgoing Payments.

Item description on payment account statement: SEPA CREDIT TRANSFER - BULK

- **SEPA Outgoing Payment - Express**

SEPA Outgoing Payments from the Client's payment account sent under express payment mode. These payments are credited to the account of the Payee's provider on the day they are remitted by the Bank.

Item description on payment account statement: SEPA CT SAME DAY PYMT

- **SEPA Outgoing Payment – Express Bulk**

SEPA Outgoing Payments from the Client's payment account sent under express payment mode and debited in one bulk amount which equals to the sum of individual SEPA Outgoing Payments. These payments are credited to the account of the Payee's provider on the day they are remitted by the Bank.

Item description on payment account statement: SEPA CT SAME DAY PYMT BLK

- **Domestic Outgoing Express Payment**

Payments in Czech crowns debited from the Client's payment account to an account in the Czech Republic under express payment mode. These payments are credited to the Payee on the day they are remitted by the Bank.

Item description on payment account statement: EXPRESS CZK PAYMENT AUTO or SUPER EXPRESS PAY. OUT AUTO

- **Domestic Incoming Payment**

Domestic payments credited to the Client's payment account in Czech crowns that are accepted through the clearing center of the Czech National Bank from other providers on the Czech market (i.e. the Payer's provider or an intermediary provider).

Item description on payment account statement: INC. CLEARING TRANSF

- **SEPA Incoming Payment**

Payments credited in EUR, from payment service providers within the SEPA Area, remitted by the Payer's

provider via the SEPA channel.

Item description on payment account statement: SEPA CR TFR RECEIPT AUTO

- **Foreign Outgoing Payment**

Foreign currency payments debited from the Client's payment account to an account in the Czech Republic, international foreign currency payments and international Czech currency payments. Via the electronic banking application, the Client shall enter the Cross Border Funds Transfer type of payment.

In case of foreign outgoing payment in EUR currency:

- a) the Bank will process and settle such payment transaction through large-value payment systems as defined in Article 1(2)(b) of the SEPA Regulation, that are designated for processing of high-value payments however without exactly defined amount limits of such payments. The Payee's provider credits such payment under conditions of foreign incoming payment or EUR domestic incoming payment (i.e. SEPA); and
- b) the Bank always sends such payment under express payment mode. This payment is credited to the account of the Payee's provider on the same day it is remitted by the Bank.

Item description on payment account statement: X-BORDER PAYMENT AUTO; CUST. WIRE TRANSFER WITH COVER

- **Foreign Incoming Payment**

Foreign currency credit payments from providers in the Czech Republic, international foreign currency credit payments, and international payments in CZK.

Item description on payment account statement: X-BORDER INCOMING PAYMENT

- **Internal Payment**

Czech or foreign currency payments made between any payment accounts opened with the Bank.

Item description on payment account statement: INTERNAL TRANSFER AUTO

- **Direct Debit**

Payments in Czech crowns made at the request of the Payee. The holder of the debited account must

provide its payment service provider with a direct debit approval specifying the Payee's account number and authorizing the provider to effect such a transfer of funds. This direct debit approval must be delivered before the collection cycle.

Item description on account statement: identical to standard incoming payment

- **SEPA Direct Debit**

Payments in EUR made from the Client's Payment Account at the request of the Payee within the SEPA Area.

There is a difference between collections performed within SEPA Direct Debit Core Scheme and SEPA Direct Debit B2B Scheme.

- (a) Unless the relevant legal regulations concerning SEPA collections require otherwise, all Payment Accounts of the Client are open to SEPA collections performed within the SEPA Direct Debit Core Scheme, which means that the Bank effects all those orders for SEPA collection which were filed within the SEPA Direct Debit Core Scheme out of the Client's Payment Accounts. Upon the Client's instruction, the Bank will block all such direct debits to the Client's Payment Account or block any direct debits initiated by one or more specified Payees or authorise direct debits only initiated by one or more specified Payees.
- (b) Unless the respective legal regulations concerning SEPA collections require otherwise, the Bank will effect the orders for SEPA collections filed within the SEPA Direct Debit B2B Scheme out of the Client's Payment Account only provided that the Client provides the Bank with a direct debit mandate specifying, among other details, the Payee and the Payment Account out of which such orders will be effected, and authorizing the Bank to effect such a transfer of funds. The Client is obligated to deliver such mandate to the Bank no later than by 11 a.m. on the second business day before the commencement of the collection cycle or the Client must set up such mandate via CitiDirect system no later than before the commencement of the collection cycle.

The Client has the right to instruct the Bank to verify each direct debit transaction made under the SEPA Direct Debit B2B Scheme, and to check whether the amount and periodicity of the submitted direct debit transaction is equal to the amount and periodicity agreed in the mandate, before debiting its Payment Account, based on the mandate-related information.

- (c) In the case of direct debits made under the SEPA Direct Debit Core Scheme as well as direct debits made under the SEPA Direct Debit B2B Scheme the Client has the right to instruct the Bank to limit

a direct debit collection to a certain amount or periodicity or both.

- (d) If the Client's instruction made pursuant to any of the paragraphs (a) to (c) above is received by the Bank on a business day by 11 a.m., the Bank shall make a corresponding change to parameters of the relevant Payment Account as of the beginning of the second business day following the receipt of the Client's instruction by the Bank. In other cases, the Bank shall make a corresponding change to parameters of the relevant Payment Account as of the beginning of the third business day following the receipt of the Client's instruction by the Bank.

Item description on payment account statement: SEPA DD DEBTOR CORE; SEPA DD DEBTOR B2B

- **Permanent Payment Order**

Czech or foreign currency payments set in the Bank's systems in order to make periodical payments at a frequency as instructed by the Client.

Item description on Payment Account statement: identical to standard outgoing/internal payment

- **Outgoing Payment - Written Form**

A payment made upon a Payment Order delivered to the Bank via fax\*, mail or in person.

Item description on payment account statement: CZK PAYMENT MAN; EXPRESS CZK PAYMENT MAN; X-BORDER PAYMENT MAN; X-BORDER CZK PAYMENT MAN; INTERNAL TRANSFER MAN

\* Payment orders may be sent via facsimile, provided that the Client has delivered a test facsimile message to the Bank (on the standard form used by the Bank), and, based on this request, the Client has received from the Bank the installation of the TelexTester application, which makes it possible to generate facsimile codes.

- **CitiDirect**

CitiDirect online-banking is a modern application of high security to communicate with the Bank on the Java applet Internet platform. This application enables Clients to initiate standard payment transactions, receive Payment Account statements and generate various types of transaction reports.

- **Worldlink**

The Worldlink payment system allows debit payments to be made in almost all global currencies, including

the exotic ones. In order to activate this service, it is necessary to enter into a Worldlink Global Payments Service Agreement.

- **Remote Debit**

Under this service, outgoing or internal payments from a Client's payment account are initiated by a third party via a SWIFT message in the MT101 and/or MT104 and/or MT103 format. Payments are therefore initiated as collection payments, where, unlike in the direct debit system, payments may also be made in a foreign currency and the Payer (owner of the debit account number) does not need to be in the Czech Republic, i.e. the transfers do not need to be made solely within the Czech Republic.

- ~~Cash Transactions~~

~~Cash transactions at cash desks in Bank's branches to deposit, withdraw or exchange money such that money is credited to or debited from the Client's payment account.~~

~~Item description on payment account statement: CASH DEPOSIT; CASH WITHDRAWAL; CASH EXCHANGE~~

### **3. Due Execution of Payment Order**

- (1) The abbreviated number or the IBAN number of the Client's account is the Unique Identifier of the Client.
- (2) Detailed requirements as to the form and content of Payment Orders, including the terms and conditions of making and receiving payments, and the required elements and technical aspects thereof, are stated in the Info Sheet or they arise from the content and formal characteristics of the payment order form, whether in a printed or electronic form.
- (3) The reference number of a particular payment must be provided as a Unique Identifier in any communication with the Bank concerning a specific transaction.

### **4. Authorization of Payment Transactions**

- (1) The Payment Transaction is authorized if approved by the Client as the Payer, unless Legal Regulations provide otherwise.
- (2) The following indicate the approval of a Payment Transaction:

- (a) For Payment Transactions made upon Payment Orders in writing (including Payment Orders sent via fax), the delivery of the Payment Order bearing a signature corresponding to the Client's Specimen Signature kept by the Bank to any Bank's branch or in any other manner stipulated in an agreement or contract or that defined by the Bank;
- (b) Submitting the Payment Order via the telephone banking service upon Authentication of the Client with T-PIN or individualized question and verifying such an order by phone where applicable;
- (c) Submitting the Payment Order via CitiDirect or Worldlink upon authentication of the Client with a unique User name, password and a one-off log-on code;
- (d) For Payment Transactions made by payment cards, authorization according to the terms and conditions applicable to the payment cards in question;
- (e) For Payment Transactions carried out via Remote Debit, according to the terms and conditions agreed between the Client and the Bank in the Remote Debit Agreement; and
- (f) For Payment Transactions initiated, via a payment initiation service provider, from the Account that is accessible online, the use or disclosure of security credentials issued by the Bank or the use or disclosure of security credentials issued by the payment initiation service provider.

## **5. Refusal to Execute Payment Orders**

- (1) The Bank may refuse to execute a Payment Order if:
  - (a) a generally binding Legal Regulation provides so;
  - (b) there is any overdue debt owed by the Client to the Bank;
  - (c) there exist grounds which authorize the Bank to block the Payment Instrument;
  - (d) the Payment Order does not reach the Bank in the form, time limit and manner defined by the Bank or if any data required by the Bank are missing from the particular Payment Order;
  - (e) the Client's account lacks sufficient available funds;

- (f) the conditions allowing the Bank to reject the execution of the Payment Order under Article V (Instructions, Payment Orders, Transfers of Funds, Payment Purposes) of the Conditions or under this Annex are satisfied;
  - (g) the Payment Order is not submitted by an authorized Person with Disposition Rights;
  - (h) in the case of a Payment Order initiated by the Payee, the Bank is not provided with the Client's consent to the transaction or the Client's Payment Account is blocked against such Payment Order; or
  - (i) other conditions for execution of the Payment Order are not satisfied or the conditions defined under this Annex or in another agreement between the Bank and the Client allowing the rejection of a Payment Order are satisfied.
- (2) The Bank must refuse to execute a Payment Order if a generally binding Legal Regulation stipulates that the Payment Order be rejected.
- (3) A Payment Order refused by the Bank is deemed not accepted.
- (4) Notwithstanding the provisions of this Article 5 above, if the contractual conditions for the execution of a Payment Transaction are not satisfied, the Bank shall be entitled not to refuse a relevant Payment Order, and:
- (a) if the respective conditions are fulfilled no later than within five business days after receipt of the payment order by the Bank, it may execute such Payment Transaction after such fulfillment; or
  - (b) if the respective conditions are not fulfilled within five business days after receipt of the payment order by the Bank, it may then refuse to execute such Payment Order.

However, the above-specified provisions shall not restrict the right of the Bank to refuse to execute such a Payment Order at any time (i.e. also during the said time limit of five business days).

- (5) If the Bank refuses to execute a Payment Order, the Bank shall inform the Client by phone from the Bank's customer service center or in any other manner of communication as may be agreed between the Bank and the Client under the Conditions or any other document entered into between the Bank and the Client. If possible, the Bank shall inform the Client of the grounds for



refusal and the procedure to rectify the errors which led to the refusal of the Payment Order. This shall not apply where providing such information or making it available is in conflict with any generally binding Legal Regulations.

- (6) The Client is liable for the payment of a fee according to the List of Charges for the information concerning the refusal of a Payment Order.

## **6. Amounts Deducted from the Transfer Amount**

The Bank and the Client have agreed that the Bank may deduct its consideration from the transfer amount before this amount is credited to the Payment Account of the Client or disbursed.

## **7. Information as to Interest Rates and Exchange Rates**

- (1) Unless stipulated otherwise, when the Bank converts currencies as part of a Payment Transaction, the Bank always uses the current exchange rate set by the Bank and valid at the time the funds are credited to or debited from the Payment Account of the Client. The Client may obtain the current exchange rate set by the Bank via the Bank's customer center.
- (2) At any time the Bank may change interest rates and exchange rates used in Payment Transactions, unilaterally and without any prior notice, if such a change is based on a change to reference rates or exchange rates. Changes in the interest or exchange rate used in Payment Transactions shall be implemented and calculated in a neutral manner. Any change in the interest rate or the exchange rate that is more favorable to the Client may be applied without prior notice.
- (3) Any changes in interest rates shall be communicated to the Client on the Website of the Bank, in the Payment Account statement or at Bank's branches without undue delay following the change in the interest rate.

## **8. Language of Framework Contract and Language of Communication with the Client**

The Framework Contract is entered into in Czech or English or in both languages. The governing text is the Czech language version when the Frame Contract is entered into in Czech and English versions, unless it is agreed otherwise.

## **9. Blockage of Payment Instrument**

- (1) At any time and without any consequences the Bank has the right to block the Payment Instrument (a) for Payment Instrument security reasons, especially when there is reason to

believe that the Payment Instrument has been used without authorization or fraudulently; or (b) due to a significant increase in the risk that the Client (or the holder of the Payment Instrument) might not be able to repay the credit available for use through the Payment Instrument.

- (2) The reasons for which the Bank may block the Payment Instrument specified herein, the Conditions, the terms and conditions for each Payment Instrument and any other documentation related to these Payment Instruments do not preclude the Bank from blocking the Payment Instrument under paragraph (1) of this Article 9.
- (3) Before or immediately after (when the former is not possible) the Bank blocks the Client's Payment Instrument, the Bank shall inform the Client of this action along with the reasons for this action in accordance with paragraph (1) of this Article 9 or in any other manner of communication as may be agreed between the Bank and the Client under the Conditions or any other document entered into between the Bank and the Client. This shall not apply when the provision of this information might thwart the purpose of blocking the Payment Instrument or would be in conflict with any generally binding Legal Regulations. Once the reasons the Payment Instrument were blocked are corrected, the Bank shall re-activate the Payment Instrument or replace it with a new one.

#### **10. Return of Amounts of Authorized Payment Transactions**

- (1) The Bank shall return the amount of an authorized Payment Transaction effected on the initiative of the Payee only in the case of a Payment Transaction initiated by the Payee within the SEPA Direct Debit Core Scheme.
- (2) The Client agrees that if the amount of an authorized transaction is returned from a transaction that was effected on the Payee's initiative or the Payer's initiative through the Payee and in which transaction the Payee is the Client and the Payee's provider is the Bank, the Bank may debit funds from any of the Client's accounts in order to return the amount of this authorized transaction effected on the Payee's initiative in a case in which the Payer demands a refund in accordance with generally binding Legal Regulations.

#### **11. BEN/SHA/OUR Charges**

- (1) Unless otherwise stated below in this Annex, the Conditions or the Info Sheet or otherwise agreed with the Client, additional charges shall be applied in the case of the Client's payments in which the Client is the Payer, for correspondence banking services (i.e. for outgoing foreign

currency Payment Transactions or foreign Payment Transactions), i.e. both the fees charged by the Bank as the Payer's provider and those charged by the intermediary providers and the provider of the recipient of the payment according to BEN/OUR/SHA principles (fee indicators).

(2) EEA Transactions

Fees for EEA Transactions (including EEA Transactions with currency conversion) are charged according to the SHA indicator (i.e. the Client as the Payer pays the fee charged by the Bank and the Payee pays the fee charged by the Payee's provider). The fee charged by the Bank is given in the List of Charges. The Client must choose the SHA indicator for any EEA Transaction (whether or not the Payment Transaction involves currency conversion).

In the case of an EEA Transaction that is in the currency of the Member State the Bank and the intermediary providers the Bank uses in the direct or indirect performance of the Bank's obligations connected with effecting of such EEA Transaction shall transfer the full amount of such EEA Transaction to the account of the Payee's provider clear and free of any deductions.

(3) Other transactions

In the case of Payment Transactions other than EEA Transactions the Client may choose between these fee charging indicators: BEN, SHA, and OUR, as these are described in the Info Sheet.

## 12. Use of Third Party Providers by Customer

(1) The Customer shall give the Bank prior written notice that it wishes to appoint or remove a an account information service provider (an "AISP") or a payment initiation service provider ("PISP") (as those terms are defined under PSD2) and/or a payment service provider referenced in Article 65 PSD2 that issues card-based payment instruments that can be used to initiate payment transaction from Account(s) held at the Bank (each a "TPP"). The Customer shall exercise reasonable care when selecting, appointing and making use of a TPP.

(2) The Bank is not liable for any damage, liability and/or loss that the Customer suffers or incurs in connection with the appointment or use of a TPP. The Customer shall be liable to the Bank for any damage, liability and/or loss arising from or incurred by the Bank in connection with the appointment or use of any TPP by the Customer (except in the event such damage, liability and/or loss is directly caused by the Bank's fraud, gross-negligence or wilful misconduct).

(3) The Bank may refuse access to TPPs for objectively justified and duly evidenced reasons relating

to unauthorised or fraudulent access to the Account(s). In such cases, unless the Bank is prohibited by applicable law, the Bank will inform the Customer that TPP access to the Account(s) has been denied and the reasons therefor. The Customer agrees that the Bank may make reports of denied TPP access to regulatory and other authorities, which may contain data confidential to the Customer.

### **13. Reversal of Refund**

If the Bank refunds an unauthorised, unexecuted, defective or late payment transaction, and reasonably determines that such payment transaction was unauthorised, unexecuted, defective or late as a result of the Customer's negligence, wilful default or fraud, the Customer acknowledges and agrees that the Bank may reverse any such refund credited to the Customer's Account together with related interest and deduct the Bank's reasonable costs.

### **14. Exclusion of Some Provisions of the Payment System Act**

In addition to other deviations from the Payment System Act stated in this Annex, the Conditions or otherwise agreed with the Client, the Bank and a Client have agreed on the following deviations from the Payment System Act:

- (1) for EEA Payment Transactions which are not in the currency of a Member State the Client and the Bank have agreed in accordance with Section 128(3) of the Payment System Act, that:
  - (a) Section 169 of the Payment System Act shall not apply. Consequently, the Bank shall not be obliged to execute a Payment Transaction within a time limit set out in this provision; and
  - (b) the first sentence of Section 177(1) of the Payment System Act ~~and paragraph (2) of Article 13 of this Annex~~ shall not apply. Consequently, the Payer's provider, the Payee's provider and any other entities through which said providers directly or indirectly perform their obligations in effecting Payment Transactions may deduct their charges from the Payment Transaction amount;
- (2) for Payment Transactions other than EEA Transactions the Client and the Bank have agreed in accordance with Section 128(5) of the Payment System Act, that:
  - (a) Section 169 of the Payment System Act shall not apply. Consequently, the Bank shall not be obliged to execute a Payment Transaction within a time limit set out in this

provision;

- (b) Section 176 of the Payment System Act shall not apply. Consequently, the Bank shall not be obliged to refund the amount of an authorized Payment Transaction under Section 176 of the Payment System Act;
  - (c) the first sentence of Section 177(1) of the Payment System Act and paragraph (2) of Article 13 of this Annex shall not apply. Consequently, the Payer's provider, the Payee's provider and any other entities through which said providers directly or indirectly perform their obligations in effecting Payment Transactions may deduct their charges from the Payment Transaction amount;
  - (d) Section 184 (1) to (4) of the Payment System Act shall not apply. Consequently, the Bank shall be under no obligation to take the action as laid down in the said provisions if liable to the Client for an incorrectly executed Payment Transaction;
  - (e) Section 185 of the Payment System Act shall not apply, with the result that the Bank is under no obligation, in the case of an incorrectly executed Payment Transaction, (i) to make, at the Client's request, every effort that may be reasonably expected of the Bank to track down the Payment Transaction or (ii) to inform the Client of the results;
- (3) the Bank and the Client have further agreed in accordance with Section 128(6) of the Payment System Act, that:
- (a) Section 130(1) of the Payment System Act shall not apply. Consequently, the Bank may agree with the Client on fees for performance of its obligations under Chapter I of the fourth Section of the Payment System Act in any amount;
  - (b) Sections 132 to 151 of the Payment System Act shall not apply. Consequently, the Bank shall not be liable to the Client for failure to comply with any of the obligations to inform pursuant to the provisions of Sections 132 to 151 of the Payment System Act;
  - (c) Section 152 of the Payment System Act shall not apply. Consequently, the Bank shall be entitled to amend or supplement the Conditions and the Framework Contract or any part thereof (including the List of Charges and the Info Sheet) in the manner set out in the respective provisions of the Conditions [or \(if applicable\) the List of Charges](#);
  - (d) Sections 153 to 155 of the Payment System Act shall not apply. Consequently, the Bank

and the Client may terminate any of their mutual legal relationships (including the Framework Contract or any part thereof) in the manner set out in the respective provisions of the Conditions and if the remuneration for the provision of payment services is determined as a fixed amount for a certain period, the Bank shall be entitled to the full amount of such remuneration in the event of termination of the obligation under the Framework Contract;

- (e) Section 160 of the Payment System Act shall not apply. Consequently, the payment service user who gave a Payment Order cannot revoke it;
- (f) Section 176 of the Payment System Act shall not apply. Consequently, the Bank shall not be obliged to refund the amount of an authorized Payment Transaction under Section 176 of the Payment System Act; and
- (g) Sections 182 to 185 and Section [184187](#)(1) of the Payment System Act shall not apply.

#### **15. Oversight of the Provision of Payment Services**

The Bank is authorized to provide banking services (including Payment Services) in the Czech Republic on the basis of a single passport license pursuant to the Act on Banks. The Bank holds a banking license granted by the Central Bank of Ireland in 2001 (now the Financial Services Authority of Ireland, which also includes, in terms of organizational structure, the relevant national regulator of the Bank - the Irish Financial Services Regulatory Authority (Financial Regulator) - registered office: PO Box 559, Dame Street, Dublin 2, Ireland). In accordance with the relevant European Community rules regulating banking and investment company businesses and Section 5d et seq. of the Act on Banks, the Bank has set up a branch in the Czech Republic in order to provide the relevant banking services. In terms of providing banking services, the Bank is subject to the oversight authority of the home country, the Financial Regulator in Ireland within Central Bank of Ireland, the oversight authority of European Central Bank and the oversight authority of the host country, the Czech National Bank, with registered office at Na Příkopě 28, Prague 1, postal code 115 03.

## **B. FRAMEWORK CONDITIONS FOR PROVIDING CITIDIRECT ELECTRONIC BANKING SERVICES**

### Introductory Provisions:

These framework conditions govern conditions of CitiDirect electronic banking services provided by the Bank in the Czech Republic and form an integral part of the General Business Conditions of Citibank Europe plc, organizační složka (hereinafter the “**Conditions**”). Should discrepancies exist between these framework conditions and other parts of the Conditions, these framework conditions for the provision of CitiDirect electronic banking services shall prevail.

In these framework conditions the term “**Procedures**” means the Electronic Banking Services Procedures or Agreement on Provision of Electronic Banking Services entered into between the Client and the Bank. The terms with capital initials used in these framework conditions which are not defined in these framework conditions (nor in the Conditions) have the same meaning as in the Procedures.

In these framework conditions the term “**CitiDirect**” means the electronic banking service CitiDirect BE available via internet pages CitiDirect BE Desktop or CitiDirect BE Mobile website or through the CitiDirect BE App.

In these framework conditions the term “**CitiDirect BE Desktop**” means the CitiDirect BE electronic banking service provided by the Bank for the Client, available at <https://portal.citidirect.com>, through which the Client may communicate electronically with the Bank within its respective authorizations.

In these framework conditions the term “**CitiDirect BE Mobile**” means the CitiDirect BE electronic banking service provided by the Bank for the Client, available at <https://m.citidirect.com>, optimized for access via mobile telephones or similar devices, through which the Client may communicate electronically with the Bank within its respective authorizations, whereas this service does not have to include all functionalities of the CitiDirect BE service.

In these framework conditions the term “**CitiDirect BE App**” means application for supported mobile devices such as tablets and cell phones, provided by the Bank for the Client and through which the Client may access to the electronic banking service CitiDirect BE and communicate electronically with the Bank within its respective authorizations, whereas this service does not have to include all functionalities of the CitiDirect BE service.

In these framework conditions the term “**Software**” or “**Application**” means software platforms for the utilization of CitiDirect BE, CitiDirect BE for Mobile, and CitiDirect BE for Tablet.

The Client shall provide hardware and software equipment for operation of the CitiDirect Application according to the following specifications:

For operation of the CitiDirect BE Desktop:

a) System requirements:

~~Windows 7, Windows 8,~~ Windows 10, Window 11

b) Minimum / Optimum hardware configuration:

Hardware configuration identical to the recommended specification for the given operating system, through which the Client intends to use CitiDirect.

c) Software requirements:

~~Browser: Microsoft Internet Explorer 8 or higher with TLS permitted, Java Runtime Environment~~ Actually supported web browser

For operation of the CitiDirect BE Mobile:

This Application currently supports implicit mobile browsers of the majority of smartphones (iPhone, Blackberry, Android, Nokia, etc.)

For operation of the CitiDirect BE App:

This Application currently supports certain mobile devices with iOS and Android operation systems (for the currently valid list of supported devices, please contact the Citibank electronic banking support department)

(a) **Conditions for Clients Using CitiDirect with Administration by the Client**

**I. Statement Upload**

The Client:

1.1 accepts, that the Software (as defined the Procedures) shall be, upon its initial usage, set up by default so that, unless (i) set out in the Procedures otherwise, and/or (ii) this is thereafter cancelled by the System Administrators (as defined in Article 7.1 below), it enables automatically upon the commence of provision of the Services to provide the provision of service Statement Upload with respect to the specified Accounts to all users thereof;



- 1.2 acknowledges that, unless set out herein otherwise, it is possible to perform the service Statement Upload solely through the authorization pursuant to the Procedures;
- 1.3 will specify Account(s) to be uploaded by Bank. Each Account will be uploaded as a separate file;
- 1.4 accepts, that all specified files with uploaded are generally not available for the network transmission before 11.00 a.m. and that these files contain the information valid as of the end of the previous Czech Republic business day;
- 1.5 acknowledges and accepts that, except for regular hard-copy Account statements and Account statements mailed off to the Client electronically by E-mail in the agreed pdf format, any other data rendered through electronic data transmission, do not amount to the final, binding and definite piece of information that had been provided by the Bank and, that only the pieces of information sent in written will be considered the conclusive evidence representing Bank's records.

Bank:

- 1.6 will upload the file(s) with the daily Account statement on the business day following the day on which any transaction was performed on the respective account, respectively on the term expressly agreed between the Client and the Bank;
- 1.7 will provide or make available solely the information, for the purposes hereof, that is not older than ninety (90) calendar days.

## **II. Service AFRD**

- 2.1. Service AFRD (Automated File and Report Delivery) means a service of automated delivery of information concerning Accounts of the Client (extent of which shall include the information on Account balance, Account statement and details on payments) held with the Bank through the respective communication, provided such information delivered to the Client shall be digitally signed and coded ("Service AFRD").

Client:

- 2.2. shall, via the Software through the System Administrators (as defined below), appoint the authorized persons for setup of the Service AFRD, whereas the persons so appointed by the

Client shall be authorized to select a recipient of information on the Client's accounts to the extent of such service (for the purpose of this Article II. "recipients");

- 2.3. shall be responsible for (i) the acquisition of digital certificate(s) for the recipients from the respective certificate authorities, acceptable for the Bank, and (ii) installation of the respective digital certificates in the recipients' devices, and for (iii) the proper installation of the public part of the digital certificates of the recipients within the Software, where necessary for the use of the Service AFRD;
- 2.4. shall be responsible for the set-up of particular parameters of the Service AFRD for each of the recipients;
- 2.5. acknowledges that the data provided by the Service AFRD is not the final, binding and conclusive information provided by the Bank and that only the regular printed Account statements and Account statements delivered to the Client via E-mail based on an agreement between the Bank and the Client (except for eventual Client's respective complaints) should be considered as the final document representing Bank's records;

Bank:

- 2.6. will provide the information necessary for the set-up of parameters of the Service AFRD;
- 2.7. will deliver to the recipients the requested information concerning the Accounts of Client to the extent of the Service AFRD in compliance with the parameters set out by the Client;
- 2.8. will provide solely the relevant information, for the purpose hereof, that is not older than 90 calendar days.

### **III. Service Event Notification**

- 3.1 Service Event Notification ("Service Event Notification") means a service of proactive delivery of timely sensible information concerning the Account or Service AFRD exceptions directly to authorized persons through e-mail. The Service Event Notification may be requested and set up for the following transactions: (i) ledger balance of the previous day, (ii) funds transfer credits, (iii) funds transfer debits, (iv) details on payment(s), (v) Service AFRD exceptions, and (vi) trade notifications. The notification of the event(s) shall be solely delivered upon the occurrence of the above transactions. For the method of delivery of such notification the authorized persons (or, to be more precise, the recipients) may choose e-mail, a device capable of receiving an e-mail,

whereas the Client expressly accepts a potential risk of breach of communication confidentiality, as well as other risks connected with such data transfer, with regard to such nature of the transfer and the Bank shall not be thus liable for any loss, damage or other costs associated with such potential risks, except for damages arising as a result of gross negligence or willful misconduct of the Bank.

Client:

- 3.2 shall, via the Software through the System Administrators (as defined below), appoint the recipients for the set-up of the Service Event Notification, whereas the persons so appointed by the Client shall be authorized to elect recipients of information about the Client's accounts to the extent of such service (for the purpose of this Article III. "recipients");
- 3.3 shall be responsible for the activation and/or deactivation of the Service Event Notification for the particular recipients;
- 3.4 shall be responsible for the due set up of delivery address of the particular recipients, including the correct e-mail address, where such information shall be delivered to;
- 3.5 acknowledges that the data provided by the Service Event Notification is not the final, binding and conclusive information provided by the Bank and that only the regular printed Account statements and Account statements delivered to the Client via e-mail based on an agreement between the Bank and the Client (except for eventual Client's respective complaints) should be considered as the final document representing Bank's records;

Bank:

- 3.6 will provide the information necessary for the set-up of parameters of the Service Event Notification;
- 3.7 will deliver to the recipients the requested information to the extent of the Service Event Notification.

#### **IV. User profiles**

The Client:

- 4.1. is fully responsible for the definition of the permitted activities and access rights to the Software for every person ("User Profile"), who will be authorized by Client to use the CitiDirect service on

behalf of the Client;

- 4.2. is fully responsible for creation, modification and deletion of such User profiles;
- 4.3. must list in the Procedures all persons ("System Administrators") authorized for the administration of User Profiles in these Procedures;
- 4.4. is obliged prior to any creation or modification of the User Profile to inform Bank, to the extent required under applicable laws, about the identity of the person, whose User Profile shall be created or modified; and provide the Bank with necessary cooperation with respect to verification of the identification of a person with User Profile. The Client undertakes to, appropriately prior to any such creation or modification, provide the Bank with the above information together with the respective support material (including, if any, eventual consent of such persons regarding the provision of any such information and material according to applicable laws) so that they may be duly verified and archived by Bank.
- 4.5. is not allowed to create or modify (if relevant pursuant to the applicable laws) any User Profile until the identification requirements under Article 4.4 above are fully satisfied with respect to the relevant person.

Bank:

- 4.6. shall provide the persons who are to use the CitiDirect service on behalf of the Client with the information necessary for working with the Software.

## **V. Initial Users and Initial permitted activities**

Client:

- 5.1 Acknowledges that Software will contain the access rights for persons ("Initial Users") listed in these procedures. These access rights allow only login into Software without any permitted activities for Initial Users.
- 5.2 Acknowledges that Software will contain predefined permitted activities ("Initial permitted activities")
- 5.3 Is fully responsible for verification of access rights for Initial Users and verification of Initial permitted activities.

Bank:

- 5.4 Will create the access rights for Initial Users listed in these Procedures.
- 5.5 Will create the Initial permitted activities in accordance with the Procedures.

**VI. Passwords**

- 6.1 the Client undertakes to maintain a mandatory maximum 30-days password change period for all User profiles and security devices used by users within the respective Security Procedures (Article VIII of this part below);
- 6.2 the Client acknowledges that all User profiles including the respective passwords will be administered by the System administrators and that the related password administration is fully the responsibility of the Client;
- 6.3 the Client shall develop and maintain internal security procedures for password usage and safe keeping in order to prevent unauthorized Communications from reaching the Bank and the Client acknowledges that this is fully its responsibility.

**VII. System Administrators**

The Client:

- 7.1 System Administrator is a person with the authority to create, modify and delete User profiles, set up the limits and levels of authorization, allocate debit accounts to User Profiles, set up permissions for viewing over the Bank's credit products utilized by the Clients, set up permissions for drawing such loan products or their repayment, if it is allowed with respect to such a loan product (incl. set up of authorization levels in respect of such loan products), and permissions to view the relevant documentation in electronic form relating to the credit products (if the Bank made such documentation available in this form), set up authorizations to receive administrative messages, service requests and authorization to use a payment service or manager of service queries, who were duly empowered by the Client to perform such activities and whose identification shall be specified in accordance with Article 4.3 hereof (unless set out otherwise pursuant to prior effective written agreement executed by and between the Bank and the Client) (a "System Administrator");

Client:

- 7.2 acknowledges that it is not authorized to create any administrative profile, i.e. to appoint the System Administrators otherwise than in accordance with Article 7.1 above and shall be fully responsible in respect thereof. The Client further acknowledges that the identification duty, as specified in Article 4.4, respectively 4.5 above, shall in an appropriate manner apply to the System Administrators;
- 7.3 acknowledges that the Software requires for any administration related activities usage of at least two System Administrators appointed in accordance with the Procedures, unless otherwise agreed between the Bank and the Client. One System Administrator User profile has to be used for creation, modification or deletion of the data and the second one for the authorization of the actions performed;
- 7.4 hereby represents that upon setting up of first User Profile the Client becomes liable for any and all acts and/or activities that will be thereafter undertaken in connection with and/or on the basis of use of the Software.
- 7.5 confirms and agrees that if the Client is empowered by a third party that is also a client of the Bank or any other person from the Citigroup to exercise certain rights on behalf of such third party, which may be exercised by such third party via the CitiDirect service (whether rights related to internet banking or any other rights) (such rights hereinafter the "CitiDirect Authorizations"), and such empowerment of the Client makes it at the same time possible to substitute the CitiDirect Authorization, then:
- (a) each System Administrator appointed by the Client now or at any time in the future in compliance with the Procedures is also authorized to exercise the respective CitiDirect Authorizations on behalf of the given third party, and is further authorized within the CitiDirect service to appoint any other persons using the CitiDirect services for the Client to exercise such CitiDirect Authorizations; and
- (b) the respective CitiDirect Authorizations may also be exercised by each person using the CitiDirect service on behalf of the Client which was appointed for the exercise of the same type of authorization as the respective CitiDirect Authorizations by the System Administrator in the past, unless such empowerment has been recalled.

Bank:

- 7.6 shall create special User profiles for System Administrators;
- 7.7 shall provide the information for the System Administrators necessary for the administration of the Software.

## **VIII. Security Procedures**

### Digital Authentication Method

- 8.1 System Administrators and all users whose User profiles allow them to initiate or approve transactions or any other activities within the Software must use the digital authentication method for the respective product or service within the CitiDirect service, e.g. SafeWord Method, 3SKey method, [biometric verification method](#), authorization code via an automated system of short message service (SMS) or voice notification (i.e. Voice) or via a relevant application for smartphones (MobilePass) or any other digital method of authentication, which the Bank makes available to the Client in the future. If the Bank makes available to use multiple methods of digital user authentication of the Software in relation to respective product or service, the System Administrator is authorized to choose which method will be used by a specific user.
- , 8.2 SafeWord Authentication involves the use of a SafeWord card. The SafeWord card is a physical hardware device that is used in conjunction with the challenge/response prompt inquiry that appears on the Software Sign-On screen each time a user logs into the system. In order to use the SafeWord card, the cardholder must enter the proper Personal Identification Number (PIN) into the card. After the proper PIN is entered and the cardholder enters the Challenge Code that appears on the Software Sign-On screen, the SafeWord card will generate a dynamic password. When this dynamic password is entered into the response field on the Software Sign-On screen, the user will have access to the Software functions assigned to them in their User Profile.
- 8.3 MobilePass authentication method requires use of application for smartphones. MobilePass is a software component that is used in conjunction with Software Sign-On screen whenever the user logs into the system. For the function of MobilePass application its user must enter the appropriate PIN which the user chooses during activation of this application. After being inserted the correct PIN and the Challenge Code from the input screen of the Software, MobilePass application generates a dynamic password. When this dynamic password is entered into the Response field on the Software Sign-On screen, the user will have access to the Software functions assigned to them in their User Profile.

- 8.4 SMS / Voice authentication requires the use of the phone. For authentication via SMS / Voice it is necessary to enter the static password selected by its user during activation. After input of the correct static password, the user receives a dynamic password through SMS to the registered phone number or receives a dynamic password by voice communication to the registered phone number. When this dynamic password is entered into the Response field on the Software Sign-On screen, the user will have access to the Software functions assigned to them in their User Profile.
- 8.5 Biometric ~~authentication~~ verification method can be used for each user login to CitiDirect service using the CitiDirect BE App in connection with its login screen. The use of the biometric verification method depends on the technical design of the mobile device and whether such mobile device allows the use of this method ~~while the mobile device may use this method also for other purposes and not exclusively for the CitiDirect BE App, respectively for CitiDirect service~~. The biometric authentication method can be performed by fingerprint or capturing the face of the mobile device user (the “User’s unique physical features”), depending on what is actually supported by such mobile device, using also those fingerprints and facial images already stored on that mobile device ~~(regardless of whether they are fingerprints or facial images of the owner of such a mobile device or anyone else)~~. To use the biometric authentication method when signing into CitiDirect service, the user must first enable the method in its CitiDirect BE App after it has been verified by Safeword or MobilePass method. Subsequent logins to CitiDirect service via the CitiDirect BE App can be made using the biometric authentication method. After logging in to CitiDirect using the biometric authentication method, the user will have access to those CitiDirect service features assigned to them under their User Profile. When using this method of authentication, no biometric data of the user is transferred to the Bank, i.e. no personal data of this type. The Client undertakes to ensure that the User's unique physical features stored on the relevant mobile device are the physical features of a user who is authorized by the Client to use the CitiDirect service on behalf of the Client.
- 8.6 The description and method of signing in using other methods of digital authentication ~~are~~ may be contained in the Procedures or in a special agreement between the Bank and the Client or in supporting documents for digital authentication or in special conditions for the respective method of digital authentication sent to the Client by the Bank.
- 8.7 Once a user is set up as a user with digital authentication, the Client is fully responsible for the sign on of such user in the CitiDirect service, the explanation of the rules of such service and the relevant support to the given users.



8.8 The Client acknowledges and agrees that in certain cases, CitiDirect sign-on may require multilevel authentication, e.g. the combination of SMS/Voice sign-on. Multilevel authentication may also be required in the event of making payments from accounts kept in countries where such type of authentication is required.

8.9 The Client acknowledges and agrees that the Bank usually verifies the CitiDirect users (if the conditions for any of the legal exceptions are not met) through a combination of two elements from different categories which are, according to legal regulations, used for the so-called strong user authentication.

8.10 If a user enters a payment transaction within the CitiDirect service, this payment transaction is authorized on the basis of its entry into the CitiDirect service after the user, when logging in to the CitiDirect service, has been authenticated by the Bank using one of the above authentication methods and the relevant Personal Security Elements (as defined in part c), VI. below). For the purposes of this provision, entering a payment transaction means confirmation of a payment transaction or (unless such confirmation is required for the payment transaction) initiation of a payment transaction within the CitiDirect service.

## **b) Conditions for Clients using CitiDirect Service with administration by the Bank**

### **I. Electronic Account Statements**

#### **Client:**

- 1.1 accepts that unless the Procedures require otherwise, the Application is before its first use configured such that it allows, when setting up the Services, to automatically facilitate electronic statements from the required accounts for such persons who are authorized to receive them under the Procedures (for the purposes of this Article I, “authorized persons”);
- 1.2 acknowledges that unless the Procedures require otherwise, it is possible to set up electronic account statements only through authorization in accordance with the Procedures;
- 1.3 determines in the Procedures, in relation to the respective authorized person, the account(s) from which the Bank is to perform an electronic transmission. From each account, an electronic transmission is to be performed in the form of separate file;

1.4 accepts that all files containing information will not be generally accessible for transmission on communication lines before 11 a.m. It also accepts that these files will contain information on accounts as at the end of the previous business day in the Czech Republic;

1.5 acknowledges that except for regular printed account statements and account statements sent electronically to the Client via e-mail in the agreed pdf format, other information provided electronically does not qualify as final, binding and ultimate information provided by the Bank, and that only information sent in writing will be considered final proof of the Bank's records.

Bank:

1.6 will transmit the file(s) containing daily account statements on the business day following the day on which any transaction was performed on the respective account, or within a different interval expressly agreed between the Client and the Bank;

1.7 will provide or disclose, in such format, only such information as is not older than 90 calendar days.

## **II. Service AFRD**

2.1 The AFRD (Automated File and Report Delivery) Service is a service for automated delivery of information on the Client's accounts kept by the Bank (including information on account balance, account statements, transaction details) through the respective communication channel, whereas the information so delivered to the Client contains digital signatures and is encoded ("AFRD Service").

Client:

2.2 shall, in using the Procedures, to appoint authorized persons for the set-up of the AFRD-Service, whereas such persons so appointed by the Client (for the purposes of this Article II., "authorized persons") are authorized to appoint the recipients of information on Client accounts to the extent of this service (for the purposes of this Article II., "recipients"), whereas each of the authorized persons may activate the AFRD Service only in relation to such accounts to which they hold the respective authorization;

2.3 shall be responsible for (i) the acquisition of digital certificate(s) for the recipients from the respective certificate authorities, acceptable for Bank, and (ii) installation of the respective digital certificates in the recipients' devices, and for (iii) the proper installation of the public part of the

digital certificates of the recipients within the Application, where necessary for the use of the AFRD Service;

2.4 shall be responsible for the set-up of particular parameters of the AFRD Service for each of the recipients;

2.5 acknowledges that the data provided by the AFRD Service is not the final, binding and conclusive information provided by the Bank and that only the regular printed Account statements and Account statements delivered to the Client via e-mail based on an agreement between the Bank and the Client (except for eventual Client's justified complaints) should be considered as the final document representing the Bank's records;

Bank:

2.6. will provide the information necessary for the set up of parameters of the AFRD Service;

2.7. will deliver to the recipients the requested information concerning the Accounts of Client to the extent of the AFRD Service in compliance with the parameters set out by the Client;

2.8. will provide solely relevant information, for the purpose hereof, that is not older than 90 calendar days.

### **III. Service Event Notification**

3.1 Service Event Notification ("Service Event Notification") means a service of proactive delivery of time-sensitive information concerning the Account or AFRD Service exceptions directly to authorized persons via e-mail. The Service Event Notification may be requested and set up for the following transactions: (i) ledger balance of the previous day, (ii) funds transfer credits, (iii) funds transfer debits, (iv) details on payment(s), (v) AFRD Service exceptions, and (vi) trade notifications. The notification of the event(s) shall be solely delivered upon the occurrence of the above transactions. For the method of delivery of such notification the authorized persons (or, to be more precise, the recipients) may choose e-mail, a device capable of receiving e-mail, whereas the Client expressly accepts a potential risk of breach of communication confidentiality, as well as other risks connected with such data transfer, with regard to such nature of the transfer and the Bank shall not be thus liable for any loss, damage or other costs associated with such potential risks, except for damages arising as a result of gross negligence or willful misconduct of the Bank.

Client:

- 3.2 shall, in using the Procedures, appoint the recipients for the set-up of the Service Event Notification, whereas the persons so appointed by the Client (for the purposes of this Article III., "authorized persons") shall be authorized to elect recipients of information on the Client's accounts to the extent of such service (for the purpose of this Article III. "recipients");
- 3.3 shall be responsible for the activation and/or deactivation of the Service Event Notification for the particular recipients, whereas each authorized person may activate the Service Event Notification only in relation to the accounts to which they have their authorization;
- 3.4 shall be responsible for the due set up of delivery address of the particular recipients, including the correct e-mail address, where such information shall be delivered to;
- 3.5 acknowledges that the data provided by the Service Event Notification is not the final, binding and conclusive information provided by the Bank and that only the regular printed Account statements and Account statements delivered to the Client via E-mail based on an agreement between the Bank and the Client (except for eventual Client's justified complaints) should be considered as the final document representing the Bank's records;

Bank:

- 3.6 will provide the information necessary for the set-up of parameters of the Service Event Notification;
- 3.7 will deliver to the recipients the requested information to the extent of the Service Event Notification.

#### **IV. User profiles**

The Client:

- 4.1. is fully responsible for the definition of the permitted activities and access rights to the Application for every person ("User Profile") who will be authorized by Client based on Procedures to use the CitiDirect service on behalf of the Client;
- 4.2. acknowledges that the Bank shall not set up or modify the User Profile in any way other than using the procedure described in Article 4.1, i.e., based on the Procedures, its amendment or supplement, unless the Bank and the Client agree otherwise.

Bank:

4.3. shall provide the persons who are to use the CitiDirect service on behalf of the Client with the information necessary for working with the Application.

**V. Passwords**

5.1 the Client undertakes to maintain a mandatory maximum 30-days password change period for all User Profiles and security devices used by users within the respective Security Procedures (Article VI of this part below);

5.2 the Client shall develop and maintain internal security procedures for password usage and safekeeping and the Client acknowledges that this is fully its responsibility.

**VI. Security Procedures**

Digital Authentication Method

6.1 All users whose User Profiles allow them to initiate or approve transactions or any other activities must use the digital authentication method for the respective product or service within the CitiDirect service, e.g. SafeWord Method, 3SKey method, biometric verification method, authorization code via an automated system of short message service (SMS) or voice notification (i.e. Voice) or via a relevant application for smartphones (MobilePass) or any other digital method of authentication, which the Bank makes available to the Client in the future. If the Bank makes available to use multiple methods of digital user authentication of the Application in relation to respective product or service, the Client is authorized to decide through the Procedures or based on a special agreement between the Bank and the Client which method shall be used by the respective user.

6.2 SafeWord Authentication involves the use of a SafeWord card. The SafeWord card is a physical hardware device that is used in conjunction with the challenge/response prompt inquiry that appears on the Application Sign-On screen each time a user logs into the system. In order to use the SafeWord card, the cardholder must enter the proper Personal Identification Number (PIN) into the card. After the proper PIN is entered and the cardholder enters the Challenge Code that appears on the Application Sign-On screen, the SafeWord card will generate a dynamic password. When this dynamic password is entered into the Response field on the Application Sign-On screen, the user will have access to the Application functions assigned to them in their User Profile.

- 6.3 MobilePass authentication method requires use of application for smartphones. MobilePass is a software component that is used in conjunction with Application Sign-On screen whenever the user logs into the system. For the function of MobilePass application its user must enter the appropriate PIN which the user chooses during activation of this application. After being inserted the correct PIN and the Challenge Code from the input screen of the Application, MobilePass application generates a dynamic password. When this dynamic password is entered into the Response field on the Application Sign-On screen, the user will have access to the Application functions assigned to them in their User Profile.
- 6.4 SMS / Voice authentication requires the use of the phone. For authentication via SMS / Voice it is necessary to enter the static password selected by its user during activation. After input of the correct static password, the user receives a dynamic password through SMS to the registered phone number or receives a dynamic password by voice communication to the registered phone number. When this dynamic password is entered into the Response field on the Application Sign-On screen, the user will have access to the Application functions assigned to them in their User Profile.
- 6.5 Biometric authentication method can be used for each user login to CitiDirect service using the CitiDirect BE App in connection with its login screen. The use of the biometric verification method depends on the technical design of the mobile device and whether such mobile device allows the use of this method ~~while the mobile device may use this method also for other purposes and not exclusively for the CitiDirect BE App, respectively for CitiDirect service.~~ The biometric authentication method can be performed by use of relevant User's unique physical features fingerprint or capturing the face of the mobile device user, depending on what is actually supported by such mobile device, using also those fingerprints and facial images already stored on that mobile device ~~(regardless of whether they are fingerprints or facial images of the owner of such a mobile device or anyone else).~~ To use the biometric authentication method when signing into CitiDirect service, the user must first enable the method in its CitiDirect BE App after it has been verified by Safeword or MobilePass method. Subsequent logins to CitiDirect service via the CitiDirect BE App can be made using the biometric authentication method. After logging in to CitiDirect using the biometric authentication method, the user will have access to those CitiDirect service features assigned to them under their User Profile. When using this method of authentication, no biometric data of the user is transferred to the Bank, i.e. no personal data of this type. The Client undertakes to ensure that the User's unique physical features stored on the relevant mobile device are the physical features of a user who is authorized by the Client to use the CitiDirect service on behalf of the Client.

- 6.6 The description and method of signing in using other methods of digital authentication ~~are~~ may be contained in the Procedures or in a special agreement between the Bank and the Client or in supporting documents for digital authentication or in special conditions for the respective method of digital authentication sent to the Client by the Bank.
- 6.7 Once a user is set up as a user with digital authentication, the Client is fully responsible for the sign-on of such user to the CitiDirect service, explanation of the rules of such service and the respective support to the given users.
- 6.8 The Client acknowledges and agrees that in certain cases, CitiDirect sign-on may require multilevel authentication, e.g. the combination of SMS/Voice sign-on. Multilevel authentication may also be required in the event of making payments from accounts kept in countries where such type of authentication is required.
- 6.9 The Client acknowledges and agrees that the Bank usually verifies the CitiDirect users (if the conditions for any of the legal exceptions are not met) through a combination of two elements from different categories which are, according to legal regulations, used for the so-called strong user authentication.
- 6.10 If a user enters a payment transaction within the CitiDirect service, this payment transaction is authorized on the basis of its entry into the CitiDirect service after the user, when logging in to the CitiDirect service, has been authenticated by the Bank using one of the above authentication methods and the relevant Personal Security Elements. For the purposes of this provision, entering a payment transaction means confirmation of a payment transaction or (unless such confirmation is required for the payment transaction) initiation of a payment transaction within the CitiDirect service.

### **c) Other Conditions Common for all Clients using CitiDirect Service**

#### **I. Conditions for Other Services within CitiDirect**

- 1.1 Other services and products not specified in these general conditions may be used by the Client within the CitiDirect service subject to the conditions for such services provided by the Bank to the Client or based on a special written agreement between the Client and the Bank for this purpose, whereas it is up to the Bank to decide which of the methods will be necessary for the provision of the given service or product.

## II. Administrative Messages, Service Requests, Payment Service and Manager of Service Queries

- 2.1 “Administrative Message” or “Service Request” is deemed to mean an instruction given to the Bank in plaintext via the CitiDirect service in relation to the products or services provided by the Bank to the Client (an “Administrative Message”). Any instruction received in the form of Administrative Message is binding on and irrevocable by the Client, and the Bank will perform it (if it is possible) without further verification of identity of the CitiDirect service user, provided that the instruction contains all information necessary for its processing. The set-up of user authorizations for the sending of Administrative Messages, including verification levels, is the full responsibility of the Client.
- 2.2 “Payment Service” is deemed to mean for the purposes hereof a service for input instruction to the Bank in Software or Application in relation to the previously entered outgoing payment orders via CitiDirect service by which instruction is the Client entitled to ask the Bank for cancellation, change or withdrawal of the corresponding outgoing payment order which may be so changed, canceled or revoked (an "Payment Service"). Any instruction received via Payment Service is binding on and irrevocable by the Client, and the Bank will perform it (if it is possible) without further verification of identity of the CitiDirect service user, provided that the instruction contains all information necessary for its processing. The set-up of user authorizations for the use of the Payment Service, including verification levels, is the full responsibility of the Client. Payment Service will be available to the Client only if it is made available to the Client by the Bank.
- 2.3 “Manager of Service Queries” is module of the CitiDirect service allowing the Client to instruct the Bank to cancel, change or withdraw outgoing payment orders entered by the Client in respect of which such a change, cancel or withdrawal is still possible, and allowing the Client make also general queries and free text instructions in relation to the other bank products and services provided by the Bank (the "Manager of Service Queries"). Any instruction received via Manager of Service Queries is binding on and irrevocable by the Client, and the Bank will perform it (if it is possible) without further verification of identity of the CitiDirect service user, provided that the instruction contains all information necessary for its processing. The set-up of user authorizations for the use of the Manager of Service Queries, including verification levels, is the full responsibility of the Client. Manager of Service Queries will be available to the Client only if it is made available to the Client by the Bank.
- 2.4 Regardless of the above, the Bank is not obligated to perform any instruction based on an



Administrative Message or via Payment Service or via Manager of Service Queries, particularly where there are any doubts as to its contents or the user of the CitiDirect service who delivered such instruction to the Bank, and it is solely up to the Bank whether it performs such instruction delivered to it in an Administrative Message, via Payment Service or Manager of Service Queries.

- 2.5 The Bank shall not be liable for any damage suffered by the Client in connection with any conduct of the Client's authorized person via an Administrative Message, Payment Service or Manager of Service Queries, including any damage and loss (including subsequent damages), arising on the part of the Client as a result of a fraudulent or unauthorized request received by the Bank through an Administrative Message, via Payment Service or Manager of Service Queries, which otherwise appears as duly verified using Security Procedures described in these general conditions, except where such loss or damage is attributable to willful misconduct or gross negligence of the Bank.

### III. Security Procedures Updates

- 3.1 The Client agrees to be bound by any and all communication, information and notices ("Communication") delivered to the Client and validated by Citibank, N.A., its branches, subsidiaries or affiliates providing the service to which such Communication relates according to the Security Procedures (as updated from time to time) applicable to the type of Communication and consistent with the Client's access profile.
- 3.2 The Bank may at any time amend or supplement the Security Procedures. The Client's use of Software after receipt of the updated Security Procedures (by the posting of such revised Security Procedures on the Bank's internet site or in any other suitable manner) constitutes acceptance of such updated Security Procedures and such updated Security Procedures shall replace the previously agreed-upon Security Procedures. In the event of an amendment or supplement of the Security Procedures proposed by the Bank, the procedure under Article 12.19 of the Conditions shall apply.

### IV. Blockage of CitiDirect Service

4.1 The Bank is entitled but not obliged to block the CitiDirect service:

- (a) for CitiDirect security reasons, especially if a suspicion exists regarding the loss, theft, misuse or unauthorized use of Personal Security Elements ~~the CitiDirect personalized security features~~ (e.g. if the Bank fails to contact the Client or if the frequency or

- amounts of Payment Transactions exceed usual volumes, if CitiDirect is used from an unusual location, or if the Bank suspects that the ~~CitiDirect personalized security feature~~ protection of Personal Security Elements may have failed, or if no payment Order has been initiated through CitiDirect for more than 180 days);
- (b) in response to a significantly increased risk of the Client being unable to repay the loan available through CitiDirect (for example, if the Client is entered in the Central Debt Register as a client with outstanding debts; if the Client defaults on the payment of any loan product provided by the Bank; if the Client's credit lines have been frozen by the Bank etc.); or
- (c) if the Bank is authorized to take such steps according to other provisions of the Conditions or these framework conditions and other documents regulating the use of CitiDirect.

4.2 Prior to blocking CitiDirect, or - where this is not possible - immediately following such blocking, the Bank shall inform the Client in the manner specified in Article 12.6 of the Conditions about the fact that CitiDirect services have been blocked and the underlying reasons. This shall not apply when providing this information or making it available might thwart the purpose of blocking or would be in conflict with any generally binding legal regulation. As soon as the reasons for blocking CitiDirect are corrected, the Bank shall be obliged to re-activate CitiDirect.

## V. Security Measures

The Client must make all reasonable efforts to protect the Personal Security Elements ~~personalized security features~~ of CitiDirect users (including User's unique physical features, SafeWord cards, PIN or password used to log in to CitiDirect service) and devices on which the CitiDirect service is used or Personal Security Elements of users are entered (e.g. a mobile phone with a payment application installed) (the "Payment Device"). The Client shall take all measures to ensure that the Personal Security Elements ~~personalized security features~~ of users are not disclosed to third parties, the Personal Security Elements and Payment Device are not lost or stolen, and to prevent falsification, fraud or misuse in connection with the use of the Personal Security Elements, Payment Device ~~personalized security features~~ and the operations and transactions carried out via CitiDirect. If any of the Personal Security Elements ~~personalized security features~~ are disclosed to a third party, any of the Personal Security Elements or Payment Device are lost, misused, stolen, any of the Personal Security Elements, Payment Device or CitiDirect service are used in an unauthorized manner, or if a suspicion exists regarding the misuse or unauthorized use of the Personal Security Elements, Payment Device or CitiDirect

service personalized security features, the Client shall immediately inform the Bank by telephone through its customer service and immediately prevent the relevant CitiDirect user from using this service via the Client center without undue delay and immediately stop using the service.

**V-VI. Personal Security Elements**

For the purposes of these Conditions, Personal Security Elements are those that are used to authenticate the user when logging in to the CitiDirect service, in particular the password, PIN, SafeWord card and User's unique physical features (hereinafter "Personal Security Elements").