

TERMS AND CONDITIONS FOR PRIVATE CHEQUES



Československá obchodní banka, a. s., registered office Radlická 333/150, 150 57 Praha 5, ID No.: 00001350, registered in the Commercial Register of the City Court in Prague, Section B: XXXVI, Entry 46 (hereinafter "ČSOB") issues the Terms and Conditions for Private Cheques (the "Terms and Conditions") containing provisions specifying the principles for issuing ČSOB private cheque forms (hereinafter the "Private Cheques"), taking-over and checking Private Cheques issued on these forms, including the conditions for paying them.

ČSOB notes that the provisions of the Terms and Conditions in Paragraphs 1 a), 13 and 14 – forth alinea, could be deemed as provisions which the other party could not reasonably expect. By consenting to the applicable Terms and Conditions on the respective form the Client expressly accepts these provisions.

1. ČSOB issues Private Cheque Forms (hereinafter the "Private Cheque Form") for payment accounts other than savings accounts (hereinafter the "Account") denominated in the Czech or a foreign currency through a completed "Application to Issue Private Cheque Forms" (hereinafter the "Application"). Supplementary and differing provisions for savings accounts are set out in the Business Terms and Conditions for Accounts and Payments.

A person authorised to sign an Application and thus in accordance with an Application an Account Holder's approval of these Terms and Conditions can be given by:

- a) The Account Holder private individual in person (PI)/private individual entrepreneur (PIE)/persons authorised to act on behalf of the Account Holder – legal entity (LE). These persons on valid signature specimens for the Account specified in the Application sign an Application in accordance with the signature specimen for this Account i.e. standard procedure.
- b) If the standard procedure cannot be followed according to Letter a) of this Paragraph an "Application" can be signed through a special power of attorney by a person authorised by the Account Holder (Authorised Person) or persons entitled to act on behalf of the Account Holder (Principal). Principals' signatures on a special power of attorney must be officially verified. A person authorised only to dispose of funds in the Account (hereinafter a "Person Authorised to Dispose of This Account") can sign an Application on behalf of the Account Holder only in accordance with this special power of attorney (see above).
- c) The Account Holder/persons authorised to act on behalf of the Account Holder can also submit an Application with an officially verified signature.

Note: Official verification of the signature is not required if the power of attorney according to Letter b) and an Application according to Letter c) is signed before a ČSOB employee.

2. Private Cheque Forms are delivered in accordance with the instructions specified in an Application as follows:
 - Through free registered post to the address stated in the Application – if the 'by registered post to the address' option is chosen.
 - In person at a ČSOB business point (hereinafter a 'ČSOB branch') by the Account Holder (private individual), or another person specified in the Application as a person authorised to accept Forms. This person must be listed in the Application including the type and number of identity card. ČSOB charges the Account Holder (both a private individual and legal entity) for personal acceptance of Private Cheque Forms a fee in accordance with the ČSOB Price List.
3. ČSOB will issue Private Cheque Forms to the Account Holder and a person authorised to accept them in person according to the identification data given in the Application and the respective identity card. ČSOB is not responsible for any damage incurred through the actions of an authorised person (including damage caused by the acts of an authorised person due to the non-issue of Private Cheque Forms). ČSOB has the right to reduce the number of required Private Cheque Forms.
4. Private Cheque Forms designed according to the data in the Application to be accepted at a ČSOB branch are delivered to the respective branch and deposited there for 70 calendar days after the Application received by a ČSOB branch. If they are not picked up by the deadline they are devalued

and cancelled. The fee for issuing Private Cheque Forms and the fee for accepting Private Cheque Forms in person, and a cheque book containing Private Cheque Forms, are charged whether the Private Cheque Forms are picked up by the deadline or not.

5. Persons authorised to draw ČSOB private cheques on Private Cheque Forms are as follows:
- Account Holder/persons acting on behalf of the Account Holder if they are listed in a valid signature specimen for the Account for which Private Cheque Forms have been issued and also by
 - Persons authorised to dispose of this Account.

All persons in this Paragraph hereinafter the "Client".

6. The funds in the Account can be disposed of by the Client through Private Cheques that must be issued only on approved Private Cheque Forms provided for the Client's Account.
7. The Client must complete Private Cheque Forms legibly and according to the pre-printed text. ČSOB recommends that Private Cheques should be filled-in with blue ball point pens. The data cannot be rewritten, crossed out, deleted, or otherwise changed. A ČSOB private cheque (hereinafter a "Cheque") must not be drawn on a dirty, wrinkled, or damaged Private Cheque Form. The amount of the Cheque must be given in figures and words so that it cannot be altered. If the figures and words differ the amount in words including the specified currency will apply.

The signature of the Client as a Cheque drawer must comply with the applicable signature specimen for the Account to which the Private Cheque Forms are issued.

8. Under Act No.191/1950 Coll., on Bills of Exchange and Cheques the Client must not draw Cheques for an amount that is not covered by the balance in the Account.

9. The Client is entitled to draw a Cheque to:

- a) a particular person i.e. the line "to" will be specified either by his name and surname (private individual) or by a business name and registered office (legal entity),
- b) to the cheque holder i.e. the line "to" will be specified as "holder" or will not be filled in.

10. ČSOB is entitled, before encashment and cashless settlement, to check pursuant to Act No. 253/2008 Coll., on Selected Measures Against Legitimation of Proceeds of Crime and Financing of Terrorism, and Act No. 69/2006 Coll., on the Implementation of International Sanctions to take appropriate measures according to the results of its inspection.

11. A Cheque Clearing Order is a ČSOB form on which a private cheque holder gives ČSOB a written instruction on how to clear a private cheque. The Client is responsible for the completeness, factual correctness and veracity of all data on the Cheque Clearing Form. ČSOB is entitled to refuse to execute Cheque Clearing Orders that / i / are not completed in accordance with the Terms and Conditions and / or / ii / do not meet the other conditions. In this case, ČSOB is not liable for damage caused by not executing the Client's instruction.

12. A cheque drawer or cheque holder can prohibit the encashment of a Cheque by marking the right side of the Private Cheque with the phrase "Only for clearing." ČSOB will settle a Cheque marked in this way only by a bank transfer to an Account the number of which, including a bank code will be announced to the bank in writing (by filling the form "Cheque Clearing Order").

13. A Cheque held by a legal entity can only be settled by a cashless transfer even if it does not contain the phrase "Only for clearing" and is payable in cash. The Client as the drawer must draw the cheque holder's attention to this fact.

14. The Client has the right to draw a Cheque in another currency than the currency of the Account. A drawn Private Cheque can be used for payments at home and abroad. If a Cheque is submitted at a ČSOB branch it can also be used for a cash withdrawal for one's own needs or a cash withdrawal by a "third person."

- ČSOB encashes (pays in cash) only Private Cheques whose legitimate owner is a private individual, denominated in the currency listed in the ČSOB exchange list in the foreign currency

section and which do not include the phrase "Only for clearing" (see Paragraph 12 of these Terms and Conditions.

- If cash is withdrawn through a Cheque ČSOB will proceed according to the "Business Terms and Conditions for Accounts and Payments" - Part CASH PAYMENTS. See the extent of cash services at ČSOB branches and www.csob.cz.
 - ČSOB always encashes the cheque amount in the currency specified on the Cheque.
 - Unless a Cheque is drawn in CZK in whole crowns and in a foreign currency in denominations of banknotes (except for EUR that are paid in all denominations) it cannot be encashed i.e., cannot be paid in cash. ČSOB recommends clients to bear this in mind when drawing Cheques for encashment.
 - Cheques that cannot be accepted for encashment may be taken over after an agreement with the cheque holder for a cashless settlement through a completed "Cheque Clearing Order" form.
 - If a cashless settlement of a Cheque is impossible an individual agreement between the drawer and cheque holder will be made.
15. If a cheque drawer wants a Cheque to be identified in Account statements by a variable symbol, VS, (variable symbol - maximum of 10-character identification figure without hyphens and slashes), the drawer of the Cheque must put this figure on the face below the line "to" marked by "VS". The data will then identify a cheque transaction on Account statements.
16. With a cashless settlement of Private Cheques ČSOB is entitled not to pay the amount of a Private Cheque abroad or in a foreign currency in the Czech Republic if a Private Cheque is drawn in a currency not listed on a ČSOB valid exchange list or in which ČSOB has no correspondent relationships.
17. Private cheques are paid abroad exclusively at the request of a foreign bank which sends a Cheque to ČSOB for collection.
- If a Cheque is paid abroad or in a foreign currency to another domestic bank and, unless the cheque drawer specifies otherwise, the cost of paying the cheque amount ČSOB incurs will be borne by the cheque drawer. For ČSOB expenses see the ČSOB Price List. A cashless settlement of a cheque amount payable at ČSOB / CR to ČSOB/ SR is exempt from these expenses – ČSOB/CR does not charge the drawer the expenses of transferring the cheque amount.
 - If the drawer puts on the narrow side of the back of the Cheque the text "Fee paid by the recipient" in the language in which the Cheque is drawn ("Receiver pays the fee," "Die Gebühr wird vom Empfänger gezahlt", "La taxe est payée par l 'accepteur ") the expenses of transferring the cheque amount abroad or in a foreign currency to another domestic bank will be borne by the recipient of the Cheque.
18. The Client has the right to repeal an issued Cheque, but the repeal will be effective after the expiry of the statutory period for submitting the Cheque for encashment, which follows according to where it has been issued:
- a) Czech Republic 8 calendar days,
 - b) Europe except for the Czech Republic 20 calendar days,
 - c) a continent other than Europe 70 calendar days.
- The cheque drawing date is not counted in this period.
19. If ČSOB finds any defects in a Private Cheque submitted to it preventing its encashment or cashless settlement it will return it to the person who submitted the Cheque with a non-payment clause. ČSOB does not return Private Cheques when the original copy of the Cheque is passed on for further investigation, particularly to criminal proceedings bodies.
20. Until the Client repeals a Private Cheque ČSOB can encash the Cheque or settle it cashless even if it is submitted after the statutory period has expired up to 6 months after the expiry of the respective

deadline (period). Pre-dated Private Cheques i.e., Cheques with a date which has not occurred may be paid/encashed when they are submitted regardless of the drawing date.

21. The Client must protect Private Cheque Forms against theft. The Client must report the loss of a Form or drawn Cheque to the ČSOB Branch which keeps his Account. ČSOB will immediately take steps to prevent the unauthorised payment of Cheques.
22. The Client must devalue wrongly drawn Cheques and unused Private Cheque Forms so that they cannot be misused and report the numbers of these wrongly drawn Cheques and unused Private Cheque Forms to ČSOB. If this is not done ČSOB is not liable for any damage or other loss incurred due to the misuse of Private Cheques or Private Cheque Forms.
23. ČSOB is not liable for damage incurred by failing to meet the Terms and Conditions or damage caused by the loss or theft of issued Private Cheque Forms or drawn Private Cheques.
24. ČSOB is entitled to debit the Account for which Private Cheque Forms were issued, with all compensation, damage and other expenses of ČSOB because of the Client's failing to comply with these Terms and Conditions.
25. The Account Holder or the cheque holder submits a complaint or a claim under the current ČSOB Claims Code, which is available at www.csob.cz, or can ask for it in paper form at any ČSOB branch. The claim/complaint should preferably be enforced at the ČSOB branch where the reason for the claim/complaint arose.
26. ČSOB keeps confidential all matters which are subject to banking secrecy pursuant to the law. ČSOB keeps this information confidential even after the respective contractual relationship is terminated. ČSOB only provides information subject to banking secrecy to relevant persons and institutions pursuant to the law and the contractual provisions.
27. The legal mode of cheques is governed by Law No.191/1950 Coll., on Bills of Exchange and Cheques. Cheque operations and use of cheques at ČSOB are governed by the above Law, these Terms and Conditions and the Terms and Conditions for Drawing and Accepting Cheques at ČSOB and appropriately by the Business Terms and Conditions for Accounts and Payments, or the Terms and Conditions for Postal Savings Bank Current Accounts as the case may be.
28. ČSOB may propose changes to the Terms and Conditions/Price List. ČSOB shall make the information on proposed changes available to the Client at www.csob.cz at the latest one month before the proposed changes taking effect and shall notify the Client to this effect through a message sent to the Client's Inter Banking 24/CEB/MultiCash 24 (hereinafter the „Internet Banking“), a notice in the account statement, by letter or email or data message. Unless the Client refuses the proposed change by its effective date, the change shall be deemed to have been accepted by the Client. If the Client refuses in writing the proposed change before its effective date, the Client shall have the right to terminate the contract/agreement to which the Terms and Conditions apply (hereinafter the “Contract/Agreement”) with immediate effect and for free.

The Client shall deliver to ČSOB the notice of termination one business day before the proposed change taking effect. ČSOB shall inform of the consequences of the proposed change and about the right to refuse the proposal and terminate the Contract/Agreement in the change proposal.

29. ČSOB and the Client have agreed that in case of a change, which does not have a negative impact for the Client on the parameters and price conditions applicable to a product, service or payment means, ČSOB may unilaterally change the Contract/Agreement, Terms and Conditions or Price List with immediate effect.

Such change may consist namely in:

- a) a change made exclusively for the Client's benefit;
- b) a change caused by adding a new service, which has no impact on existing fees;
- c) a change of the name of a bank product, service or payment means, which does not affect the rights and obligations of the parties;

- d) a change brought about by increased security of bank services or technological development;
- e) a change of data of informative nature (ČSOB's registered office, entities belonging to the ČSOB Group).

ČSOB shall typically inform the Client well in advance about the above changes through the Internet Banking, at www.csob.cz or by a notice in the account statement, or via an email to an address notified by the Client. The Client may acquaint himself/herself with such change within the premises of ČSOB branches.

30. These Terms and Conditions come into effect on 1 November 2019 and replace the Terms and Conditions for Private Cheques as of 1 July 2018.

Československá obchodní banka, a. s.