

CONDITIONS for the Issue and Use of LBBW Bank CZ a.s. Payment Cards

1. GENERAL CONDITIONS

1.1. LBBW Bank CZ a.s. ("LBBW Bank") issues MasterCard and Maestro payment cards as an electronic payment means for personal and business current (payment) accounts denominated in Czech crowns, American dollars, and Euros. The current offer of payment cards and related supplementary services is published in LBBW Bank information documents. Legal matters relating to the issue and use of LBBW Bank payment cards are subject to the law of the Czech Republic.

1.2. The Conditions for the Issue and Use of LBBW Bank Payment Cards ("Conditions") constitute an integral part of a Payment Card Application/Agreement and upon its signature become binding for both contracting parties. By signing a Payment Card Application/Agreement, the account holder certifies to have read the Conditions thoroughly. The account holder may apply for the issue of supplementary cards for additional persons. In such a case, the account holder is fully liable for compliance with these Conditions by such additional cardholders.

1.3. The account holder must notify LBBW Bank of any and all changes in data pertaining to payment cards issued for his accounts and the holders of such cards, as specified in a Payment Card Application/Agreement. The account holder is liable for any and all damage incurred as a result of a failure to comply with this requirement.

1.4. A cardholder may demand changes regarding an already issued payment card by making a written application to the LBBW Bank branch where his account is maintained. Changes concerning insurance and the payment card limit are subject to approval by the account holder.

1.5. Payment cards are the property of LBBW Bank. As a rule, a payment card is issued in the name of the cardholder and is not transferable to another person. Breach of this rule is considered a serious violation of the **cardholder's duties in line with these Conditions and GBC.**

1.6. There is no legal entitlement to the issue of a payment card. LBBW Bank reserves the right to reject an account holder's application for the issue of a card without stating a reason. If an application is rejected, LBBW Bank informs the account holder by mail or telephone.

1.7. LBBW Bank is entitled to debit fees and charges for services relating to the issue and use of a card by the cardholder and for settling transactions completed using a card from the account holder's account in accordance with the current LBBW Bank List of Fees and Commissions. The card issue fee is charged at the time a card is issued regardless of whether the cardholder takes possession of the card.

1.8. As an administrator of personal data, LBBW Bank is entitled to enter into an agreement with a service provider in accordance with Section 6 of Act No. 101/2000 Coll. on Protection of Personal Data, as amended. By signing a Payment Card Application/ Agreement, the account holder consents to transfers of personal data to contractual partners, as necessary for the issue and use of the payment card.

1.9. These Conditions are Special Terms and Conditions in the sense of the LBBW Bank General Business Conditions ("GBC"). In the event there are differences between their provisions, the provisions of these Conditions take precedence over the provisions of the GBC.

2. CARD ISSUE

2.1. An application for the issue of a card is made by the account holder to the LBBW Bank branch where the account holder's current account is maintained. The account holder must provide complete and accurate information and is fully liable for damage incurred by LBBW Bank due to the provision of false or misleading information, including criminal prosecution.

2.2. As regards the issue of a card for an account, the Bank and the account holder enter into a written agreement for a definite or indefinite period. The expiration of an agreement for a definite period coincides with the card expiration date. As to an agreement for an indefinite period, the Bank issues to the account holder a new card automatically as of the expiration date of the original card, unless the account holder or a cardholder rejects the issue of a new card in writing **no later than six weeks prior to the expiration date** of the original card. A cardholder may also apply for payment card renewal at an earlier date.

2.3. A card is valid until the last day of the month/year specified on the card. A card must not be used after the expiration date. The account holder must destroy all expired payment cards that are not returned to the Bank after expiration.

2.4. A cardholder must collect a payment card **no later than three months** after making an application. If the cardholder fails to collect a payment card, the Bank will cancel and discard the card. A cardholder will not be entitled to a refund of the monthly payment card administration fee and fees for additional services charged until the card is discarded.

2.5. A Payment Card Application/Agreement includes setting a limit for transactions that can be completed using every payment card. The limit applies to a period of one week and restricts both the maximum amount of funds that can be debited and the number of transactions that can be completed using a payment card. A cardholder may complete transactions using a card only within up to the set limit, where the cardholder must not exceed the Available Account Balance, as defined in the GBC. The Bank may reduce the limit unilaterally due to card security reasons, particularly in the event of a suspected unauthorized or fraudulent transaction. The Bank must inform the cardholder of such a change immediately.

2.6. The account holder is liable for all transactions regardless of the limit and must pay for damage incurred by LBBW Bank as a result of the incorrect use of a payment card or any unauthorized withdrawals exceeding the Available Account Balance.

2.7. By entering into (signing) the Payment Card Application/Agreement, the account holder authorizes the LBBW Bank to settle **all** payments and transactions completed using a cardholder's card to the debit of the account holder's account after the payment card is received by the cardholder.

2.8. A cardholder must collect the card in person at an LBBW Bank branch. In exceptional cases, an inactive card may be sent by mail to the specified PIN mailing address. Subsequently, the cardholder must activate the card by telephone by calling the LBBW Bank Call Center. During card activation, the cardholder is asked to provide information that serves for verifying the cardholder's identity.

2.9. An envelope containing the PIN is sent by registered mail to the cardholder's address specified in the Payment Card Application/Agreement. The cardholder must verify that the envelope containing the PIN is intact. The PIN is known to the cardholder only. It is prohibited to mark the PIN on the card, keep it together with the card, or disclose it to any person, including family members. **Disclosing the PIN to another person is considered a gross violation of a cardholder's obligations arising under these Conditions and the GBC.**

2.10. Upon receiving a payment card, the cardholder must sign the card on the signature strip.

3. CARD USE

3.1. A cardholder may use a card in the Czech Republic and abroad to pay for purchases of goods and services at retail and service outlets and for withdrawing cash from bank machines (ATM), bank branches, and currency exchange outlets identified by the MasterCard logo. A payment card must not be used for a transaction that would be contrary to laws effective in the place where such a transaction were to take place.

3.2. A cardholder demonstrates his authorization to use a card for a transaction by entering the PIN using the keyboard of an ATM machine (according to instructions for use) or the electronic payment terminal of the point of sale. If a retail outlet does not have equipment allowing the verification of the PIN, a cardholder demonstrates his authorization by signing a transaction slip, which must be issued for every purchase (the signature must match the signature on the card).

3.3. When a card is used at a point of sale, the point of sale is entitled to request an authorization for completing the requested transaction and only complete the transaction if it is authorized by the Bank or an organization empowered by the Bank to give authorizations.

3.4 LBBW Bank will not be held liable for the non-provision of services and damage incurred by cardholders directly or indirectly due to circumstances beyond the control of the Bank or its partners, in particular, power outages, equipment failures, defects in data processing systems or transmission lines, strikes, and the like. Further, LBBW Bank will not be held liable for a refusal to accept a card by a point of sale or a branch of another bank.

3.5. If the wrong PIN is entered more than three times during a transaction using a payment card, the payment card is automatically temporarily blocked for security reasons. The card functionality will be renewed on the first day of the subsequent card weekly limit period.

3.6. If a cardholder forgets the PIN, a written application can be made for the reissue of the original PIN.

4. SETTLEMENT AND CLAIMS

4.1. Transactions completed using payment cards are charged to the debit of the account on a daily basis after they are processed by the payment card clearing centre.

4.2. A transaction completed in a currency other than the currency of the account to the debit of which it is charged is converted when processed by LBBW Bank using the foreign currency sale exchange rate in effect at the time the transaction is processed.

4.3. A cardholder may make claims regarding transactions completed using a payment card to the LBBW Bank branch where the account for which the card was issued is maintained. The cardholder must make claims in writing and present all available documents (copy of account statements, sworn statement of the cardholder or the account holder disproving a transaction, copies of receipts of sale). **If a claim concerning a transaction is accepted, the sum of the claimed transaction is credited to the account holder's account.**

4.4. The account holder or a cardholder must make a claim without undue delay. Transactions by payment cards issued to accounts of clients – individuals, entrepreneurs and corporate clients that are recognized as small business by the definition of General Business Conditions of LBBW Bank CZ a.s., must be claimed at the latest within 13 months since the transaction date. Claims of transactions done by other cards must be done at the latest within 60 days since the transaction date. The deadline for making a claim is subject to the effective claim processing rules of international card associations. LBBW Bank will inform the account holder of the claim status in writing within five business days. The account holder will be informed of the outcome of a claim in writing no later than 180 days after the claim is made.

4.5. If the account holder or a cardholder makes a claim in accordance with the Conditions concerning an erroneous transaction or demands another rectification from LBBW Bank unsuccessfully, the account holder or the cardholder has the right to submit the matter to a financial arbitrator who decides disputes between the issuers of payment cards and cardholders concerning the issue and use of electronic payment means in accordance with Act No. 229/2002 Coll. on Financial Arbitrator, as amended.

5. CARD PROTECTION, LOSS/THEFT

5.1. A cardholder must keep a card in a safe place separate from his personal documents and prevent its misuse by unauthorized persons. Further, a cardholder must prevent the **disclosure of the PIN to a third party**. A cardholder must not record the PIN in any form that would allow another person to work out the PIN. **The PIN must not be kept together with the card**. Cards must be protected against mechanical damage and the effect of strong magnetic fields.

5.2. In the event a card is lost or stolen, the cardholder must immediately notify the Global Payments Europe a.s. Authorization Centre, which is open 24 hours a day, **by telephone at 272 77 11 11** or by fax at **267 19 72 91**. **No later than on the following business day**, the cardholder or the account holder must **confirm in writing** the notification directly to LBBW Bank by filling out a "Payment Card Blocking Order". A lost or stolen payment card report may be made by a third party. Such a third party must inform LBBW Bank of all circumstances concerning the loss or theft or the payment card, particularly whether the PIN has been disclosed.

5.3. If the reporting person does not know the card number, the person must provide other information based on which the card can be identified (cardholder's name, Birth Registration Number, account number, card issuer, and card type). The reporting person must not disclose his PIN to any LBBW Bank employee.

5.4. The account holder is liable for all costs and any damage incurred due to a misuse of a card in an unauthorized transaction up to EUR 150 or its equivalent. This limitation of account holder responsibility applies only to cards issued to accounts of individual clients, individual clients/entrepreneurs and corporate clients that are recognized as small business by the definition of GBC. The account holder who is corporate client and who is not a small business in line with the definition of GBC is fully responsible and liable for all costs and damages from non-authorized payment card transaction incurred from the card misuse to full extend. The account holder's liability for the use of a lost or stolen card will pass to LBBW Bank at the time a blocking request is made. If damage is incurred as a result of a gross violation of obligations by a cardholder, the account holder will be liable for all related costs and damage with no limitation.

5.5. Based on a lost/stolen payment card report, LBBW Bank will block the card or place it on the stop list. A card remains blocked until the blocking is revoked in writing by the person who requested the card to be blocked. The Bank is authorized to block a payment card at its discretion to ensure payment card security, for example in the event the Bank suspects the unauthorized or fraudulent use of a payment card or in the event the Available Account Balance is overdrawn and the risk exists that the balance owed will not be repaid.

5.6. LBBW Bank is entitled to debit the account holder's account for any and all expenses and damage incurred by the Bank as a result of a failure to comply with these Conditions by persons holding cards issued for the account holder's account.

6. CARD CANCELLATION, AGREEMENT CANCELLATION AND EXPIRATION

6.1. The agreement expires on the last day of the month/year stated in the agreement, which is usually the same as the expiration date of the card, upon being cancelled by either contracting party, or upon the cancellation of a cardholder's right to use a card.

6.2. The account holder may at any time cancel the card agreement or revoke the right of a cardholder to use a card. Cancellation or revocation must have written form and be completed at the Bank; it takes effect on the day the card is returned to the Bank.

6.3. If the account holder is unable to return a card in accordance with the preceding paragraphs due to a serious reason, the account holder may ask LBBW Bank to block the card or place it on the stop list at the account holder's expense. In such a case, canceling the agreement or revoking a cardholder's right takes effect on the day the card is blocked or placed on the stop list.

6.4. LBBW Bank has the right to cancel at any time in writing the card agreement or revoke a cardholder's right to use a card. Such cancellation or revocation takes effect on the day of being delivered to the counterparty. A cardholder or the account holder must return the applicable card to LBBW Bank no later than two business days after the delivery of the cancellation or revocation. If a card is not returned by this deadline, LBBW Bank may block the card or place it on the stop list with no notice at the account holder's expense.

6.5. The expiration of the agreement does not free the account holder from the duty to settle all obligations ensuing from the use of the payment card. The account holder remains liable for all transactions completed using the card before it is returned, blocked, or placed on the stop list.

6.6. If the holder of an account for which a payment card has been issued wants to close the account, all payment cards issued for the account must be cancelled at least two months prior to the closing of the account. Otherwise, the account must remain open for at least two months after the cancellation of all cards issued for the account.

7. EFFECTIVENESS

7.1. These Conditions take effect on 1 July 2011. LBBW may make changes and additions to these Conditions or replace them with new Conditions. LBBW Bank informs cardholders of any changes in the Conditions in writing. Unless the account holder expresses disagreement in writing with an amended version of the Conditions and returns to LBBW Bank his payment cards within one month of receiving information on changes in the Conditions, the account holder must comply with the new version of the Conditions. The current version of the Conditions is available in LBBW Bank branches or on the Internet at <http://www.lbbw.cz>.