

**Business Conditions for the Use of Direct Banking Services
through the *LBBW Direct* System**

LBBW Bank CZ a.s.

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Article 1 General Description and Applicability

- 1.1 To define mutual rights and obligations with regard to the use of the *LBBW Direct* system for direct banking, LBBW Bank CZ a.s. issues these Special Terms and Conditions ("**Special Terms and Conditions**") in accordance with the Bank's General Business Conditions ("**GBC**") and the Terms and Conditions for Making Payments ("**Payment Conditions**").
- 1.2 The Special Terms and Conditions supplement the Payment Conditions and the GBC and constitute a part of specific agreements between the Client and the Bank with regard to the provision of access to Direct Banking.
- 1.3 In case of discrepancy between the provisions of a specific agreement and the provisions of these Special Terms and Conditions, the Payment Conditions, and the GBC, the provisions of such a specific agreement take precedence. Any matter not defined in a specific agreement is subject to these Special Terms and Conditions, the Payment Conditions, and the GBC in this order.

Article 2 Definitions

Where written starting with a capital letter, the following terms used in these Special Terms and Conditions have the meaning defined below:

- Access Rights** – A set of authorization rights defining the accounts that may be controlled through *LBBW Direct* and the persons authorized to dispose of funds in such accounts, including the definition of the scope of and the method for exercising these disposal rights;
- Agreement** – The agreement defining the use of Direct Banking services through the *LBBW Direct* system entered into between the Bank and the Client or another agreement to the extent of valid provisions defining the Client's access to the Direct Banking system based on such an agreement;
- Authenticator** – A technical device for eCode Access that, after the insertion of an Authorization Card and selecting one of two functions (OTP, SIGN), generates and displays an Authorization Code for access to the *LBBW Direct* system or a Signature Code for submitting an Order;
- Authorization Card** – A chip card in the form of a standard payment card issued by the Bank to the Client or to an Authorized User that serves for logging into the Direct Banking system and for other transactions as part of eCode Access during the card validity period. An Authorization Card may be issued with the payment function suppressed, where such a card only serves for Direct Banking identification purposes or allows access to *LBBW Direct* system in addition to its function as a standard payment card.
- Authorization Code (OTP)** – A sequence of characters generated for the Client by an Authenticator as a confidential identifier verifying the Client's identity;
- Authorized User** – A natural person who is given Access Rights to the Client's account(s) through the *LBBW Direct* system based on the Client's request to the extent determined by the Client;
- Bank** – LBBW Bank CZ a.s.;
- Banking Data** – Data in digital form intended for transmission, where services rendered consist of the exchange of such data;
- Bank's Website** – The website at <http://www.LBBW.cz>;
- Client** – The holder of an LBBW Bank CZ a.s. account who signs the applicable Agreement and determines Authorized Users of the *LBBW Direct* system;
- Direct Banking** – An Internet banking service provided through the *LBBW Direct* system;
- eCode Access** – Access to the *LBBW Direct* system allowing the use of both Information and Payment Services;
- GBC** – The Bank's General Business Conditions.
- Password** – A sequence of letters and/or characters allowing SMS Access to the *LBBW Direct* system;
- Information Services** – The services provided by the Bank through Direct Banking specified in Article 4.1 of these Special Terms and Conditions;
- Initial Password** – A Password assigned to the Client by the Bank for the first login into the *LBBW Direct* system. During the first login, the Client must change the Password because the Initial Password expires after the first login;
- LBBW Direct** – An electronic banking system of the Internet banking type through which the Client can use

banking services as part of SMS Access or eCode Access to the system;

LBBW Direct Website – The website at <https://www.lbbwdirect.cz/direct/login.htm>;

Note: Make sure that you access the *LBBW Direct Website* from an address starting with https:// (not http only); this is one of the application's security features.

Order – An order or a demand submitted by the Client to the Bank through the *LBBW Direct* system as part of Payment Services;

PIN – The Client's personal identification code used to verify the identity of the person entering the code;

Payment Services – The services provided by the Bank through Direct Banking specified in Article 4.2 of these Special Terms and Conditions;

Security Code – A code sent during SMS Access by the Bank to the Client via an SMS message for the confirmation of every change of the access Password during the first login into the *LBBW Direct* system and after every subsequent change of the Password or for the purpose of signing a payment order or a message sent by the Client to the Bank via Direct Banking;

Signature Code (SIGN) – A sequence of characters generated for the Client by an Authenticator as a measure securing a transaction and identifying the Client during the submission of an Order as part of Payment Services;

SMS Access – Access to the *LBBW Direct* system allowing the use of Information Services and Payment Services; this access is available only for telephone numbers of domestic mobile operators;

Special Terms and Conditions – The Bank's business terms for the use of Direct Banking services through the *LBBW Direct* system issued as a supplement to the GBC and the Payment Conditions;

User Name – The User Name under which the Client logs into the *LBBW Direct* system. The User Name is assigned to the Client by the Bank;

Article 3

Requirements for Using the *LBBW Direct* System

3.1 Technical requirements for *LBBW Direct*:

(a) Hardware requirements:

- Internet connection

(b) Software requirements:

- Internet browser (Internet Explorer version 7.0 and higher) supporting JAVA scripting, cookies

3.2 By signing the Agreement, the Client guarantees to the Bank his compliance with the technical requirements for using access to the *LBBW Direct* system. The Client acknowledges that his failure to use the required software and/or hardware would prevent the Bank from guaranteeing the problem-free functioning of access to Direct Banking.

3.3 The Bank reserves the right to change the technical requirements for *LBBW Direct* to ensure that the Client will be able to use *LBBW Direct* to its full extent following any improvement or expansion of direct banking services provided through the *LBBW Direct* system.

Article 4

Services Provided through the *LBBW Direct* System

4.1 Information Services:

- (a) Account statements showing the current balance in the Client's accounts.
- (b) Account statements showing accounting transactions completed on the Client's current account during the previous accounting day.
- (c) Statements of received domestic payments containing information on incoming domestic payments received during the previous accounting day.
- (d) Statements of received foreign payments containing information on incoming foreign payments received during the previous accounting day.

- (e) Mail – a service allowing the bidirectional sending of information messages.
- (f) Commercial messages – a service through which the Bank informs Clients using Direct Banking of current offers and changes regarding banking products and services.

4.2 Payment Services

- (a) Domestic payment orders – the Bank accepts domestic payment orders submitted by the Client through the *LBBW Direct* system;
- (b) Foreign payment orders – the Bank accepts payment orders to foreign countries, orders in currencies other than Czech crowns, and internal orders where the beneficiary has an account in a currency other than Czech crowns.

Article 5 Access to the *LBBW Direct* System

- 5.1 The Bank only provides Direct Banking services if the Client has an account allowing the use of access through Direct Banking and signs with the Bank the applicable Agreement as well as to Authorized Users designated by the Client, where the Bank provides access to Direct Banking to Authorized Users only to the extent of Access Rights defined by the Client.
- 5.2 The Agreement between the Client and the Bank is entered into in person at a Bank branch with the exception of agreements entered into by remote means in accordance with Section 54a of the Civil Code. If the Bank has the Client's valid specimen signature for the account for which Access Rights are to be set up, the Bank may enter into an Agreement with the Client even if the Client does not sign an Agreement before a Bank officer on condition that the Client's signature on the Agreement unmistakably identifies the person who signed the Agreement.
- 5.3 An integral part of the Agreement is an *LBBW Direct* Access Setup/Change Request. The Client must submit a duly filled out and signed Request to the Bank together with the signed Agreement. Based on the Request, the Bank sets up individual Access Rights for accounts specified by the Client to the defined extent, including Access Rights for Authorized Persons. A Request also serves as a basis for changing existing or setting up new Access Rights.
- 5.4 Access Rights granted to an Authorized User may be cancelled at any time by a written instruction given by the Client to the Bank; such an instruction may be submitted by fax sent to the fax number designated for this purpose. In case that such an instruction is delivered to the Bank during the Bank's business hours, the access of an Authorized User is blocked without unnecessary delay. In case that it is delivered outside the business hours, access will be blocked on the business day following its delivery.
- 5.5 The Client and an Authorized User may use the *LBBW Direct* system 24 (twenty-four) hours a day. The Bank may reduce or suspend the operation of Direct Banking for necessary maintenance time.
- 5.6 Unless otherwise specified in the Agreement, the Bank creates for the Client and an Authorized User SMS Access only.

SMS Access:

- 5.7 As part of SMS Access, the Client logs into the *LBBW Direct* system via the *LBBW Direct* Website using his User Name and Password.
- 5.8 To set up SMS Access, the Bank sends the Client and, if applicable an Authorized User, a sealed envelope containing the User Name and the Initial Password. The Initial Password serves as a Password only for the first login into *LBBW Direct* after which the Client or an Authorized User is asked by the system to change the Password. The first and any subsequent change of the Password must be confirmed by the Client or an Authorized User by entering the Security Code that is provided to the

Client or the Authorized User after the making of such a change by means of an SMS message sent to a prearranged mobile telephone number. A Password selected by the Client or an Authorized User remains valid until its next change that may be made solely by the Client or the Authorized User. The Bank recommends changing the Password at least once a month.

- 5.9 For the authorization of a payment order or a message sent to the *LBBW Direct* system, the Client or an Authorized User receives from the Bank a Security Code sent through an SMS message, where the Client or the Authorized User signs the message by entering this Security Code.
- 5.10 A Security Code is sent to the Client at the Client's risk. The Bank bears no liability for the non-delivery of a Security Code or the delivery of an invalid Security Code as a result of circumstances outside the Bank's control, particularly in case of an erroneous or interrupted telecommunication connection or as a result of a technical defect in transmission systems.

eCode Access:

- 5.11 In case that the Client applies to the Bank for eCode Access, the Bank will, following the signing of the applicable Agreement and receiving a duly filled out and signed *LBBW Direct* Access Setup Request, assign to the Client or, if applicable, an Authorized User designated by the Client a User Name for eCode Access and will issue to the Client and to the Authorized User an Authenticator at the applicable LBBW branch. Alternatively, the Bank will send an Authenticator to the Client and to the Authorized User by mail to their mailing addresses based on a written demand.
- 5.12 Together with an Authenticator, the Client and the Authorized User receive an Authorization Card. An Authorization Card without the payment function is handed over to the Client and to an Authorized User at the applicable LBBW branch or sent by mail together with the Authenticator. An Authorization Card with the functionality of a standard payment card may only be handed over to the Client and to an Authorized User in person at the applicable LBBW branch. A payment card issued to an Authorized User is always a Supplementary Payment Card in the sense of the Bank's Payment Card Conditions.
- 5.13 If the Client or an Authorized User uses a payment card issued by the Bank before the Client's or the Authorized User's access to *LBBW Direct* system is set up, the Client or the Authorized User may request that the payment card also serve as an Authorization Card.
- 5.14 In addition, the Client and an Authorized User also receive a PIN for the Authorization Card, which is sent by registered mail to the recipient.
- 5.15 The Client or an Authorized User logs into the *LBBW Direct* system on the login page of the *LBBW Direct* Website by entering the User Name and an Authorization Code generated by an Authenticator after the insertion of the Authorization Card and the entry of the PIN.
- 5.16 The Client must protect the Authenticator from loss and damage. The Client may make a written demand for a replacement or supplementary Authenticator. Every issue of an Authenticator is subject to a fee as per the Bank's valid Table of Fees and Commissions.
- 5.17 The use of Authorization Cards that have the functionality of a standard payment card is subject to the Bank's valid Payment Card Conditions.

Article 6

Acceptance of Orders as part of Payment Services

- 6.1 The Bank processes submitted Orders only up to the end-of-day closing time. Closing times are announced by the Bank and are available to the Client at LBBW branches, on the Technical Support Line, and on the Bank's Website.
- 6.2 If the Bank receives an Order on the day corresponding to the requested due date after the end-of-day closing time set for the applicable transaction type, the Bank may process the transaction on the following Bank Business Day.

- 6.3 As part of the Information Services, the Bank provides the Client with information allowing the identification of transactions, the transaction sum and currency, and, if applicable, the Order currency and the applicable exchange rate.
- 6.4 The Bank is only liable for received and confirmed data and assumes no liability for direct and indirect damage incurred as a result of any erroneous or repeated transmission of data to the Bank, damage caused by errors in an employed telecommunication network or the Internet or a technical failure on the Client side, and damage caused by an act of God (Section 374 of the Commercial Code). Furthermore, the Bank assumes no liability for delays in the execution of foreign payment orders, if delay is caused by the Bank's requests for documents made in accordance with valid laws and regulations (such as documents demonstrating the purpose of a payment and documents certifying compliance with information duties set out in foreign-currency regulations). If the Client fails to provide the Bank with documents necessary for making a payment, the Bank is under no obligation to make such a payment.
- 6.5 The Bank may set a maximum daily limit for transfers of funds made by means of Direct Banking. The limit is specified in an *LBBW Direct* Access Setup/Change Request. This limit may be set based on an agreement with the Client or unilaterally by the Bank. SMS access to the direct banking system involves a higher risk of its misuse and damage, and if the Client requests a higher limit than proposed by the Bank for this type of access, the Client acknowledges and accepts such a higher risk. The Bank is authorized to change the limit unilaterally in consideration of legal restrictions and the Bank's security policy. The Client will be informed of any change in the limit in a suitable manner sufficiently in advance.
- 6.6 Other aspects of executing payment Orders submitted by the Client are subject to the Payment System Act and the applicable provisions of the Payment Conditions and the GBC.

Article 7
Irregularities, *LBBW Direct* System Failures, Servicing

- 7.1 The Client and an Authorized User must inform the Bank of the failure in any failure in the *LBBW Direct* system without undue delay together with its description by contacting the Customer Service Center by telephone or e-mail.
- 7.2 If the Client or an Authorized User enters three times consecutively the wrong User Name or Access Password for SMS Access or enters three times consecutively the wrong User Name, PIN, or Authorization Code for eCode Access on the *LBBW Direct* login page, the Client's access to the *LBBW Direct* system is blocked automatically. In case of repeated unsuccessful login, the Client or an Authorized User must contact the Technical Support Line, where the technical support staff will provide instructions regarding the subsequent course of action.
- 7.3 The Bank may block the access of the Client and an Authorized User to the *LBBW Direct* system, if it suspects that the security of the Client's account(s) is jeopardized. In such a case, the Bank must inform the Client that his access has been blocked and of the reasons immediately. The Client's and the Authorized User's access to *LBBW Direct* will be restored only when the danger of misusing the system has passed or when appropriate measures have been taken.
- 7.4 The Bank reserves the right to change unilaterally the type of direct banking access used by the Client or an Authorized User to an access type that provides a higher level of security.

Article 8
Client Liability

- 8.1 The Client or an Authorized User must protect his access data, i.e. the User Name and Password for SMS Access and the Authorization Card and PIN for eCode Access, from loss or misuse; in particular, the Client must keep them confidential and refrain from disclosing them to any third party and inform the Bank of their loss or any suspicion of their misuse. In addition, the Client must ensure that Authorized Users protect their access data in the same manner. The Bank assumes no liability for damage incurred by the Client as a result of a loss or misuse of access data of which the Bank is not informed by the Client.

- 8.2 The Client acknowledges that a PIN assigned for eCode Access and the Password assigned for SMS Access serve for verifying the identity of the Client and an Authorized User by the *LBBW Direct* system and that transactions completed as part of Payment Services and authorized by an Authorization Code generated by an Authenticator after the entry of the Client's or an Authorized Person's PIN or Security Code are considered transactions completed by the Client. The Client is fully liable for any and all transactions completed to the debit of the Client's account through remote access, which are duly verified by means of entering an Authorization Code or a Security Code.
- 8.3 The Client must refrain from disclosing any facts pertaining to technical, organizational, and security measures preventing the misuse of access to Direct Banking services. The Client must inform the Bank immediately if the Client's or an Authorized Person's access data, the Password or the PIN in particular, are lost or disclosed or if the Client suspects that his access to the *LBBW Direct* system has been misused. In addition, the Client must ensure that any Authorized User conforms to these requirements.
- 8.4 The Bank blocks access to the Client's accounts through the *LBBW Direct* system, if the account is misused or if the Client reports a loss or disclosure of access data or suspects that misuse of access may have taken place. The Bank informs the Client without undue delay that his access has been blocked. The Client's access to the *LBBW Direct* system will be restored only when the danger of its misuse no longer exists.
- 8.5 The Client must immediately verify transactions completed by the Bank as to their conformity to Orders submitted by the Client or by an Authorized User. The Client must inform the Bank in writing of ascertained discrepancies immediately, no later than five (5) Bank Business Days after ascertaining such discrepancies. If the Client fails to do so, the Client will bear partial responsibility for any damage incurred by the Client.
- 8.6 The Bank bears no liability for damage incurred due to a violation of the applicable Agreement, the Special Terms and Conditions, the Payment Conditions, or the GBC by the Client or an Authorized User or a failure to comply with instructions given to the Client or to an Authorized User by the Bank.

Article 9 Complaints

Complaints regarding the operation of the *LBBW Direct* system and complaints regarding erroneously executed Orders are processed and settled in accordance with the rules and by the deadlines specified in the Bank's Complaint Rules, which are available on the Bank's Website.

Article 10 Agreement Termination

- 10.1 The business relationship between the Bank and the Client may be terminated unilaterally by the Bank or by the Client at their discretion, unless otherwise mutually agreed.
- 10.2 The Agreement will expire upon the closing of the Client's account for which Access Rights have been set up. If Access Rights are set up for more than one account, the Agreement will expire upon the closing of the last of such accounts.
- 10.3 Both the Client and the Bank may terminate the Agreement by cancellation subject to the deadlines and conditions for current account agreement termination set out in the valid version of the GBC.
- 10.4 The Bank may cancel the Agreement effective immediately if the Client commits a violation or repeated violations of the provisions of the applicable Agreement, the Special Terms and Conditions, the Payment Conditions, the GBC, or security instructions given by the Bank to the Client with regard to the use of the *LBBW Direct* system by the Client as well as in the other cases specified in the GBC. Furthermore, the Bank may cancel the Agreement effective immediately, if the Client does not begin using Direct Banking within six months after being assigned a User Name.

**Article 11
Miscellaneous**

- 11.1 These Special Terms and Conditions apply to legal relations established after the effect date of these Special Terms and Conditions unless otherwise agreed between the Bank and the Client in writing.
- 11.2 The Bank reserves the right to amend the Special Terms and Conditions, particularly in response to technology changes concerning access to the *LBBW Direct* system and its functioning, in order to ensure the necessary continuity of Direct Banking services provided to Clients, and in response to changes in the scope of services provided as part of Direct Banking. Moreover, the Bank reserves the right to change unilaterally the telephone number of the Customer Service Line and the time during which the Customer Service Line is available to Clients.
- 11.3 The Bank will inform the Client in a suitable manner (for instance, by a message sent via the Mail service through the *LBBW Direct* system, by information posted on the Bank's website, by information stated in an account statement, etc.) of any and all changes regarding the Special Terms and Conditions or the functioning of the Customer Service Center.

These Special Terms and Conditions come into effect on 1 February 2012.