



LBBW Bank CZ a.s.

**Commercial Terms for the Use
of *LBBW direct* Banking Services**

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Article 1: **Subject Matter and Scope of Application**

1. To define mutual rights and obligations related to the use of the *LBBW direct* banking system, LBBW Bank CZ a.s. issues these Special Terms and Conditions ("Special Terms and Conditions") in accordance with the Bank's General Business Terms and Conditions ("GBTC").
2. The Special Terms and Conditions amended the GBTC and constitute a part of individual Agreements between the Client and the Bank concerning to the access to direct banking services.
3. The provisions of an individual Agreement prevail the Special Terms and Conditions and the GBTC, where they differ from or contradict the provisions of the Special Terms and Conditions or the GBTC. Any matter not defined under an individual Agreement between the Bank and the Client or under the Special Terms and Conditions is subject to the GBTC.

Article 2: **Definitions**

The terms used in these Special Terms and Conditions, which are written starting with a capital letter, have the following meaning:

1. **Authenticator** – Technical device that generates an authorization code for access to the *LBBW direct Banking* system after the insertion of a Chip Card with the relevant application.
2. **Authorization code** – Strings of characters generated for the Client as a confidential identifier for verifying the Client's identity.
3. **Authorization Card** – A chip card that enables the Client to log into the Direct Banking system. A payment card can serve as an Authorization Card.
4. **Bank** – LBBW Bank CZ a.s.
5. **Banking Data** – Data in electronic form intended for transmission, where the exchange of such data is the subject of the provided services.
6. **Bank website** – The website at <http://www.LBBW.cz>.
7. **Client** – A LBBW Bank CZ a.s. accountholder.
8. **Authorized User** – A person who is granted Access Rights to the Client's account(s) through the *LBBW direct Banking* system based on the Client's request.
9. **PIN** – The Client's personal identification code that serves for verifying the identity of the person entering the code.
10. **Order** – An order or a request submitted by the Client to the Bank through *LBBW direct*.
11. **Direct Banking** – An Internet banking service provided through the *LBBW direct* system.
12. **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 and use of such disposal rights.
13. **Agreement** – The *LBBW direct* agreement entered into by and between the Bank and the Client.
14. **Special Terms and Conditions** – The special terms regulating the use of Direct Banking services provided through the *LBBW direct* system issued as a supplement to the GBTC.
15. **LBBW direct system** ("*LBBW direct*" or "**SmartOffice**") – An electronic banking system of the Internet banking type through which the Client can use banking services, in particular, transfer the Client's Orders (such as domestic payment orders, foreign payment orders, and requests for opening term deposits) and obtain bank information (such as account statements, account balances, and unsettled transactions).
16. **User Name for LBBW direct** – The User Name under which the Client logs into the *LBBW direct Banking* system. The User Name is assigned to the Client by the Bank.
17. **GBTC** – General Business Terms and Conditions of the Bank.

Article 3: **Access to the *LBBW direct* System**

1. Direct Banking services are provided by the Bank only if the Client has an account allowing the access through Direct Banking.
2. After an Agreement is signed and an application for establishing access to the *LBBW direct* system is duly filled out and delivered to the Bank, the Bank assigns to the Client a User Name, and the Client receives an Authenticator that generates an access code enabling access to the *LBBW direct* system. The authenticator is sent to the Client by mail to the Client's mailing address.
3. Together with an Authenticator, the Client receives an ID Card. An ID Card that does not include the payment function (it is not a payment card) is sent to the Client by mail together with an Authenticator. An ID Card with the payment function (payment card) cannot be sent by mail. An ID Card with the payment function cannot be mailed and must be picked up in person by the Client or an Authorized User at a branch.
4. In addition, the Client/Authorized User receives the PIN by registered mail.
5. When logging into the Direct Banking system, the Client follows the procedure described in the operating manual for the Authenticator, which is enclosed with the Authenticator.
6. The use of ID Cards with the payment function (payment cards) is subject to the Bank's conditions for the use of payment cards.
7. The Agreement between the Client and the Bank is concluded at a Bank branch in front of a Bank officer with the exception of an Agreement concluded on a remote basis in accordance with Section 54a of the Civil Code. If the Bank has a valid specimen signature of the Client for the account for which Access Rights are to be established, the Bank may enter into an Agreement with the Client even if the Client does not sign the Agreement before a Bank officer on condition that the Client's signature on the Agreement unmistakably demonstrates the person who signed the Agreement.
8. An integral part of the Agreement is a Request for Approval or modification of the Access to *LBBW direct* Services. 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 establishes individual Access Rights for accounts specified by the Client as well as Access Rights for Authorized Persons, as specified by the Client. The Request also serves as a basis for making changes in Access Rights or establishing new Access Rights.

Article 4: **Requirements for the Use of the *LBBW direct* System**

1. Technical requirements for *LBBW direct*:

Hardware requirements:

- Internet connection (modem, ISDN, landline, etc.)

Software requirements

- Internet browser supporting JAVA scripting

2. By signing the Agreement, the Client guarantees to the Bank compliance with the technical requirements for the use of access to the *LBBW direct* system. The Client acknowledges that if the Client does not have the required software and/or hardware, the Bank cannot guarantee the problem-free functioning of access to Direct Banking.
3. The Bank reserves the right to change the technical requirements for *LBBW direct*, where the Bank will ensure that the Client will be able to use *LBBW direct* services to the full extent thereof after any improvement or expansion of the scope of *LBBW direct*.

Article 5: **Services Provided through the *LBBW direct* System**

1. Account statements showing the balance on the Client's accounts – The Bank prepares for transmission to the Client a data file containing the Client's current account balance (including any foreign currencies) at the beginning of every accounting day.
2. Account statements showing transactions on the Client's accounts – The Bank prepares for transmission to the Client a data file containing transactions on the Client's current account for the previous accounting day.

3. Statement of received domestic payments – The Bank prepares for transmission to the Client a data file containing information on incoming domestic payments credited on the previous accounting day.
4. Statement of received foreign payments – The Bank prepares for transmission to the Client a data file containing information on incoming foreign payments credited on the previous accounting day.
5. List of exchange rates – The Bank prepares for transmission to the Client a data file containing the current currency exchange rates.
6. Domestic payment orders – The Bank accepts domestic payment orders.
7. Foreign payment orders – The Bank accepts payment orders to foreign countries and orders in currencies other than Czech crowns.

Article 6: **Procedures for Accepting and Canceling Orders**

1. The Client may use the *LBBW direct* system 24 (twenty-four) hours per day. The Bank may reduce or suspend the operation of the *LBBW direct* system for the necessary maintenance time.
2. The Bank processes submitted Orders only up to the end of day settlement. Closing times are announced by the Bank; the Client can obtain information on end of day settlement times at branches, on the Technical Support Line, and on the Bank website.
3. If the Bank receives an Order on the day of requested maturity after the end of day settlement set for the applicable transaction type, the Bank may process the transaction on the following Bank Business Day.
4. The Bank provides the Client with information allowing the identification of transactions, sums in the applicable currency, and, if applicable, the Order currency, and the exchange rate.
5. The Bank is only responsible for received and confirmed data. The Bank bears no liability for direct and indirect damage incurred as a result of 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 a vis major (Section 374 of the Commercial Code). Furthermore, the Bank bears no liability for delays in the execution of foreign payment orders, where delay is caused by the Bank's request for documents demonstrating the legitimacy of an obligation for which a foreign payment is to be made (in particular, documents or their copies demonstrating the purpose of a payment as per the payment code specified in the payment order, such as an invoice, and a document 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. Other aspects of executing payment orders submitted by the Client are subject to the Payment System Act and the applicable provisions of the GBTC.

Article 7: **Irregularities, Failures of the *LBBW direct* System, Servicing**

1. In the event of a failure of the *LBBW direct* system, the Client must without undue delay provide the Bank with a description of the failure by contacting the *LBBW direct* HOTLINE or sending an e-mail.
2. If the Client enters the PIN erroneously six times consecutively or six times consecutively erroneously enters a generated code into the *LBBW direct* application, the Client's access to the *LBBW direct* system is automatically blocked. If the Client uses his/her payment card as an Authorization Card, the Client's access to the *LBBW direct* system is blocked automatically after three erroneous entries of a generated code into the *LBBW direct* system. If the Client's card is blocked, the Client must inform the Technical Support Line about the blocking access from the reason of the erroneous code entry, and the relevant worker in authority will provide instructions for the subsequent course of action (depending on the card type).
3. The Bank may block the Client's access to the *LBBW direct* system, if it suspects that the Client's security is endangered. In such a case, the Bank must inform the Client of blocking access and the reasons immediately. The Client's access to the *LBBW direct* will be restored when the danger of misuse of the system has passed or when appropriate measures have been taken.

Article 8: **Client's Liability**

1. The Client must keep the PIN confidential, protect it from misuse, refrain from disclosing it to any third

party, and ensure that any and all Authorized Users for whom Access Rights are established by the Bank based on the Client's request protect their PIN to the same extent.

2. The Client acknowledges that the assigned PIN serves for identifying the Client's identity by the system. Transactions authorized by an authorization code generated by an Authenticator after the entry of the PIN are considered transactions completed by the Client or an Authorized Person. The Client is fully liable for any and all transactions debited the Client's account through remote access, which are duly verified by the entry of an authorization code generated by an Authenticator.
3. The Client must refrain from disclosing any facts pertaining to the technical and organizational measures preventing misuse of access to direct banking services.
4. The Client must inform the Bank immediately through the 24-hour authorization service if the PIN of the Client or any Authorized Person is disclosed or if the Client suspects misuse of the Client's access.
5. The Bank will block access to the Client's accounts through the *LBBW direct* system, if the Client's access is misused or if the Client reports misuse of the PIN or suspicion that misuse may have taken place. The Bank will inform the Client of blocked access without undue delay. The Client's access to *LBBW direct* will be restored when the danger of its misuse has passed.
6. The Client must immediately check up the transactions completed by the Bank as to their conformity to submitted Orders. The Client must inform the Bank in writing of ascertained discrepancies 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.
7. The Bank bears no liability for damage incurred due to a violation of these Special Terms and Conditions or the Agreement or a failure to comply with instructions given to the Client by the Bank.

Article 9: **Complaints**

Complaints concerning erroneously executed Orders are made by the Client in accordance with the procedures outlined in the Bank's Complaint Rules. The Bank handles claims and complaints by the deadlines set out in the Complaint Rules.

Article 10: **Expiration of the Contractual Agreement**

1. The commercial relationship between the Bank and the Client may be terminated unilaterally by the Bank or the Client at their discretion, unless otherwise mutually agreed.
2. The Agreement expires upon the closing of the Client's account for which Access Rights are established. If Access Rights are established for more than one account, the Agreement expires upon the closing of the last of these accounts.
3. The Bank may terminate the Agreement by cancellation where the notice period and the conditions set out in the GBTC apply.
4. The Bank may cancel the Agreement with immediate effect if the Client commits a violation or repeated violations of the provisions of the Agreement, the Special Terms and Conditions, or the GBTC and the security principles set out in the Agreement, the Special Terms and Conditions, instructions given by the Bank to the Client and under the other circumstances specified in the GBTC. Furthermore, the Bank may cancel the Agreement with immediate effect if the Client does not start using Direct Banking within six months after a User Name is assigned to the Client.

Article 11: **Miscellaneous**

1. These Special Terms and Conditions apply to legal relations established after the date of effectiveness of these Special Terms and Conditions.
2. The Bank may amend these Special Terms and Conditions. The procedure for amending these Special Terms and Conditions is analogous to the procedure for amending the GBTC.
3. The Bank may unilaterally change the telephone number of the Technical Support Line and the time during which the Technical Support Line is available to Clients. The Bank will inform the Client of such a change in a suitable manner (for example through *LBBW direct*, the Bank's website, account statements, etc.).

These Special Terms and Conditions come into effect on..... January 2008.

The English translation of Special Terms and Conditions is for reference purposes only. The Czech version of the Special Terms and Conditions is binding.