

Basic arrangement

General business terms for the provision of payment services by EXCHANGE s.r.o. (hereinafter referred to only as the “Terms”) govern the conditions for the provision of payment services by the payment institution to the client according to the Section 3, Paragraph (1), Item f) in the Act No. 284/2009 Coll., on payment transactions, as amended.

By the manner and under the conditions set out in these Terms, the client and EXCHANGE s.r.o. (hereinafter referred to only as the “payment institution”), who have concluded a Master Contract for the provision of payment services may agree to negotiate the terms of non-cash foreign currency transactions and the receipt of the client's payment orders by the payment institution. The payment institution is authorized to do so by the Czech National Bank license for the activities of payment institution No. 2011/3046/570.

According to the Czech Republic legal regulations the payment institution is a legal entity whose activities are subject to supervision by the Czech National Bank and are governed by the Act No. 284/2009 Coll. on payment transactions, as amended, by the Act No. 253/2008 Coll., on certain measures against money laundering and terrorist financing, as amended and the Act No. 69/2006 Coll., on the implementation of international sanctions, as amended, and other laws and regulations.

Definition of expressions

Payment transaction shall mean deposit of funds to the payment account, withdrawal of funds from the payment account or transfer of funds.

Payment account shall mean the account that is used to make payment transactions.

Monetary funds are banknotes, coins and cash.

Non-cash foreign currency trading shall mean the purchase or sale of funds in the Czech or foreign currency for the funds in another currency, which is carried by wire transfer of funds from the payment account or to the payment account.

Payer shall mean the user from whose payment account the funds are to be debited to make a payment transaction or who makes the funds available to make a payment transaction.

Beneficiary shall mean the user on whose behalf the payment is to be credited according to the payment order or who in accordance with the payment order is to have the funds made available.

Payment order shall mean an order to the provider, whereby the payer or the beneficiary requests the execution of payment transaction.

The value date shall mean the point on which the payment transaction is registered for the purposes of calculating interest on the funds in the payment account.

The unique identifier shall mean a combination of letters, numbers or symbols, which are used to identify the user or his account during the execution of payment transactions.

For the purposes of this document and the Master Contract for the provision of payment services, **payment service** refers to the transfer of funds, during which the payer or beneficiary do not use a payment account at the payer's provider. Payment service is not an exchange activity.

Payment institution is a legal entity that is authorized to provide payment services based on the license issued to it by the Czech National Bank.

IBAN is an international bank account number for simplified payments within the EU Member States.

Information to the payer after the receipt of the payment order is a confirmation of non-cash trade terms with the foreign currency agreed between the payment institution and the client, which the payment institution shall provide to the client immediately after the receipt of the payment order. This document contains precise and binding instructions for the client to transfer the funds to cover the payment transaction, the amount of the payment transaction in the currency used in the payment order, detail of the consideration the payer is obliged to pay to the provider for the execution of payment transactions, as well as a breakdown of these items if the consideration consists of a number of separate items, the exchange rate and the amount of payment transaction after the currency conversion and the date when the payment order was received.

For the purposes of this document the term **Instructions** is used collectively to refer information to the payer after the payment order has been received. The **Confirmation** document has been replaced by the information sent to the payer after the receipt of the payment order.

Proof of the payment order confirms the progress of payment service and foreign currency exchange parameters. This document is sent to the payer after debiting the funds from the payment institution's payment account.

The communication channel is the agreed way to exchange information between the client and payment institution, with the objective to credibly capture the agreed conditions or progress of payment services. Payment institution uses SMS as a communication channel, identified by the text "EXCHANGE" instead of a phone number, e-mail messages, faxes and letters.

On-line trading is an immediate transfer of funds by the wire.

The fee is the amount of consideration for the execution of the payment order, which the client is obliged to pay to the payment institution. Payment institution must inform the client about this fee in advance.

Foreign payment is a wire transfer of funds in the Czech and foreign currencies to and from abroad and in foreign currency between residents and foreigners in the Czech Republic, unless the beneficiary's account is maintained with the payer's provider (i.e. unless the the payer's and the beneficiary's accounts are maintained at the same payment institution).

Payment item is a numeric identifier used for the foreign cash payments. A current list of payment items is shown in the Czech National Bank code-list BA0030 available at <http://www.cnb.cz>.

Frame Contract for the provision of payment services (hereinafter referred to only as the "contract") is a contract concluded between the payment institution and client, authorizing the payment institution to accept payment orders from the client in accordance with the authorization issued by the Czech National Bank's to the payment institution.

SEPA payments are simplified payments between the member states of the European Union or other states which are parties to the Agreement on the European Economic Area. To use the simplified SEPA payment, the payer is obliged to provide the recipient's payment account number in the IBAN format, SWIFT code of the beneficiary's bank and the SEPA payments can be used only for the transfer of funds in the EUR currency.

SWIFT Code (or **BIC**) is used to identify the banks during international transactions. It is an eight to eleven digit alphanumeric code.

The volume of trade and exchange rate

The minimum amount of funds that are to be sold or purchased during each individual non-cash trades in the foreign currency amounts to 10,000.00 CZK or its equivalent in the foreign currency. Payment institution publishes the exchange rates on weekdays from 9:00 AM to 6:00 PM at its website <http://www.exchange.cz>. During the day, the current exchange rates constantly change according to the current development in the financial markets, which is affecting the value of the exchange rates of individual foreign currencies against the CZK, and also with regard to the payment institution's current supply and demand. The exchange rate offered to the client at the time the terms of payment services are negotiated is binding. The exchange rate is always stated in the information sent to the payer after the receipt of the payment order, unless the parties have agreed on the terms of the exchange rate when the foreign currency funds are credited to the payment institution's payment account.

Fees and conditions for waiver of fees

If the volume of payment transactions is low, the payment institution charges the client a fee to cover the costs incurred in carrying out the payment orders. The fee is also charged for some extra services that a client requests together with or subsequently after the execution of the payment order.

The fee is prescribed according to the quantity of traded funds (in foreign currencies converted to the equivalent CZK by the payment institution's current exchange rate applicable when the payment service was negotiated) and the manner of the payment service implementation:

- **Payment services with the volume of 100,000 CZK or higher, are always provided at NO CHARGE.**
- **Incoming and outgoing payments in CZK or cash deposits to the payment institution's koruna account are carried out at NO CHARGE in unlimited volume.**

If the volume of payment transactions would be less than 100,000 CZK, the client shall be charged the following fees:

- 100 CZK, if the payer's account is maintained in foreign currency and in the same local bank as the account intended for the transfer of funds to cover the payment order,
- 100 CZK, if the beneficiary's account is maintained in foreign currency and in the same local bank as the account of the payment institution from which the funds shall be transferred,
- 100 CZK, if the payer deposits the funds in the payment account maintained in foreign currency which is intended for the transfer of funds used to cover the payment order,
- 200 CZK, if the payer transfers the funds to cover the payment order by the simplified SEPA payment (it also applies to the transfers of EUR made in the Czech Republic between various banks),
- 200 CZK, if the beneficiary of the payment order receives the funds by the simplified SEPA payment (it also applies to the transfers of EUR made in the Czech Republic between various banks),
- 500 CZK, if the payer transfers the funds to cover the payment order in the standard foreign payment mode,
- 500 CZK, if the beneficiary of the payment order would receive the funds in the standard foreign payment mode.

The client would be charged a special contractual fee according to the price list of the payment institution from which the funds shall be transferred to cover the payment order:

- express local payment made in CZK to another bank (the Client's funds must be deposited to the payment institution's account no later than by 11:30 AM),
- confirmation or SWIFT message issued by the bank regarding the foreign payment.

During the negotiations of the terms for the payment order, the payment institution must inform the client about all the fees and amounts which shall be charged to the client. The charges shall be converted to the equivalent part of the currency which the payer shall use to cover the payment order with the current exchange rate and shall be added to the amount required to pay for the payment service. Information provided to the payer after the receipt of the payment order shall contain a detailed breakdown and amounts of these fees. By transferring the funds according to instructions the payer shall also cover all the charged fees.

For the deposits of cash intended to cover the payment services provided by the payment institution, the bank can charge the payer a standard fee for cash deposits according to its own pricelist if the volume of funds is higher than 500,000 CZK or its equivalent in the foreign currency, if the deposit contains a larger quantity of coins or small banknotes or contains damaged or discontinued banknotes.

Receipt of the payment order and sending information to the payer after the payment order was received

The employee of payment institution shall accept the payment order only by the phone and only during business days between 9:00 AM and 5:00 PM. Any inquiries regarding the current exchange rates and instructions regarding the payment order can be sent electronically by e-mail to exch@nge.cz or by the website form. The employees respond to the questions, but they are accepting payment orders only by the phone.

Payment order has been accepted at the moment when the client expresses explicit agreement with the terms proposed by the payment institution's employee. That mainly involves the transaction volume, currency exchange rate, date and estimated time when the client's funds are used to execute the payment transaction. The course of the payment order negotiation is automatically recorded and the client is informed about this fact prior to the start of the call.

Payment order can be arranged no later than two business days prior to the expected crediting of funds to cover the payment order. During communication with the client, payment institutions may ask the client to prove his identity by satisfactory means, in particular with the **numerical identification password** that is identical with the contract number, or with the help of technical means of identification. If the payment institution employee does not ask the client for identification, it shall not affect the validity of the accepted payment order.

Payment institution has the right to refuse to accept the client's payment order in those cases where the required volume of the traded funds does not exceed the minimum amount of funds for foreign exchange trading prescribed by the payment institution or where the implementation of the payment order could lead to the breach of the payment institution's statutory obligations, rules of prudential business, or if the payment institution would exceeded its internal evaluation indicators of the maximum acceptable risk. Upon the client's request the payment institutions shall inform the client about the reason for not accepting the payment order, unless the provision or disclosure of such information would be contrary to other legal regulations.

Immediately after the receipt of the payment order the payment institution shall send the client information about the payment order. The client must immediately review the content of all information in the payment order. In the event that information regarding the received payment order does not accurately capture the conditions of the payment service in any respect, then the client must promptly communicate its objections to the employees of payment institution. They shall carry out the corrections in the payment order, which shall automatically invalidate the original payment order and shall send new information to the client upon receipt of the payment order, whose unique identifiers are different. If the client does not inform the payment institution about any objections during the course of the payment order, then within one hour of its sending, or by the transfer of the customer's funds to make payment transaction using the unique identifiers listed in the Instructions, the payment order is deemed to have been approved and thus confirmed by the client, unless explicit agreement between the client and payment institution prescribes a longer period or a different method of approving information after the receipt of the payment order.

Payment order with the deferred specification of exchange rate

If the Client fails to guarantee the value date of the transfer of funds to cover the payment service (mainly for foreign payments) the payment service shall not include the exchange rate, which shall be subsequently determined by the payment institution at the time the funds are credited to the account of payment institution. This procedure must be explicitly approved by the client during the negotiating of the payment terms and information to the payer after the receipt of the payment order shall indicate that exchange rate shall be determined according to the current exchange rate at the time the funds are credited to the payment account of the payment institution. In this case the amount of outgoing payment order cannot be pre-arranged, since it is dependent on the exchange rate. Once the funds to cover the payment order are credited to the payment institution account, then the employee of payment institution shall inform the client about the current exchange rate and the amount the payment institution shall transfer according to the client's instructions. Exchange rate is determined in the usual way as for other clients.

Returns of unidentified funds

If the payment institution finds in its accounts the funds intended to cover the payment of a transfer without a prior conclusion of the payment order, it shall try to identify the origin of the funds and to contact the client, or wait until the end of the business day following the value date of the funds credited.

If it is possible to determine the origin of the funds, then the client must credibly demonstrate that the funds have been transferred from his payment account, or that have been transferred by another entity to pay its debts. Subsequently the payment service parameters are agreed with the client and the client is sent the payment information after the payment order is received. In this case the client shall be obliged to confirm the accuracy of the instructions in writing, by fax or by telephone. Subsequently, the payment institution shall transfer the funds to the recipient of the payment order, according to the approved instructions.

If it would not be possible to determine the origin of the funds by the end of the business day following the value date of the crediting of funds, the funds shall be returned the same day to the account of the payer. In this case the payment institution would lower the amount before sending it by the reasonable costs of receiving and sending funds to and from the payment account.

Payment institution shall do likewise even in the cases when the parameters of incoming payments do not fully match the agreed payment service (*such as if contrary to instructions the payer transfer the funds intended for the payment transaction in an account of payment institution denominated in other currency, thus preventing the payment institution from executing the payment order in accordance with the instructions on the grounds that the bank shall automatically convert the payment by its own exchange rates*).

Meeting the client's obligations

Client shall comply with its obligations of paying for the services by transferring funds from the payer's payment account or by depositing cash to the designated payment account of the payment institutions using the agreed identifiers (variable and specific symbol, resp. information for the recipient of foreign payments). Client shall follow instructions contained in the information to the payer the client received from the payment institution after the receipt of the payment order.

The client is obliged to pay for the payment service within the agreed time and in full amount. In the event that for technical or other reasons the client is forced to delay the transfer or to send the transfer in multiple payments, then the client must inform the payment institution. In such case the payment institution shall not execute the payment order until the client transfers all the funds to cover payment services in full amount. The client is allowed to use a single payment only for one payment order.

If the client does not provide correct identification symbols in accordance with the valid information after the receipt of payment order, then the client shall be contacted by the employees of payment institution and the client shall have to provide the following information:

- that the funds were transferred from his payment account or that have been transferred by another entity to pay its debts, if there are any doubts about this, and
- consent with the correctness of information sent to the payer after the acceptance of the payment order if there is a suspicion that it could be an error or a mutual misunderstanding between the client and payment institution.

Transfer of funds according to the payment order

Payment institution transfers the funds in accordance with the payment order only during business days and during the entire business hours after it receives and identifies the payment means to cover the payment order. Payment institution shall forward to its bank the order to transfer the funds in accordance with instructions no later than within 5 minutes after the funds to cover the payment transaction were credited in full amount, providing it is technically possible and providing the recipient's bank is the same as the bank containing the account from which the funds were sent.

In other situations, the payment institution shall issue the order to transfer funds in accordance with the following instructions:

- by 3:00 PM on the value date (providing the client's funds were credited to the account of payment institution by 2:30 PM),
- by the close of business hours on the value date (if the client's funds were credited later), or
- no later than by the end of business hours on the following business day, if it is not possible for technical reasons to order the bank to transfer the funds earlier.

The above procedure shall not be used if there is doubt about the origin of the funds, if the payer's identification doesn't match or if the procedure is prevented by the law (*in particular the Act No. 253/2008 Coll., on certain measures against money laundering and terrorist financing, as amended, and the Act No. 69/2006 Coll., on the implementation of international sanctions, as amended*) or an individual legal act issued by the competent authority that is obligatory for the payment institution.

The payment institution may choose to inform the client about the transfer of funds to the bank either by a short text message (SMS) or by e-mail.

The document confirming the execution of payment order shall be sent to the client by the agreed communication channel (by regular mail or by e-mail) after the funds were credited to the recipient of payment service.

Obligations arising from the accepted payment order shall be fully complied with only at the moment when the client's funds are credited to the account of payment institution in the amount indicated in the information after the acceptance of the payment order and after the crediting of the payment institution's funds to the account of the payment order recipient debited from the payment account of payment institution in the amount indicated in the information sent to the payer after the acceptance of the payment order.

Proof of the payment order execution

Payment institution shall issue a proof of the payment order execution after the funds in the payment institution's account were sent to the recipient of payment order in the amount and by the method according to the agreed terms of the payment service specified the information sent to the payer after the payment order has been accepted. Payment institution shall immediately send the proof in electronic format to the client's e-mail address agreed during the negotiation of the payment service terms or at the latest the following business day by regular mail to the client's mailing address.

Payment transactions with foreign countries

Payment institution provides clients with transfers of funds to foreign countries exclusively in parallel with the service of non-cash exchange of funds into other currencies.

When negotiating payment services where the recipient has accounts held outside the Czech Republic or in the foreign currency in the local bank other than the one used for the settlement of payment services provided by the payment institution, the client is obliged to provide the payment institution with the payment symbol to indicate the purpose of the payment (*the client specifies the transaction purpose in words and indicates the numerical designation of the payment in accordance with the Provision of the Czech National Bank No. 36/2000 Coll., laying down payment items for labeling the purpose of payments, or upon request shall provide the payment institution with other documents*).

If the collection is from abroad and the purpose of payment is not specified, then the payment institution shall assign the numerical designation of payment in accordance with the client's instructions, which upon request is required to provide the payment institution with this information.

When ordering a foreign payment transfer, the payer shall indicate the correct identification of the receiver according to information sent to the payer after the receipt of the payment order, in particular:

Name of the payment recipient: EXCHANGE s.r.o., Kaprova 13, Praha 1, Czech Republic
Recipient's account number: *account number in IBAN format according to instructions*
Recipient's bank: Komerční banka a.s., Na Příkopě 33, 114 07, Praha 1, Czech Republic
SWIFT Code: KOMBCZPP
Information for the recipient: */NS/identifier-Instructions/VIP/Contract-number*
Payment title: *according to the purpose of the cash payment*

Payment institution shall not be responsible for the postponement of crediting the funds to the account of the beneficiary of the payment order if the delay is caused by the client's incorrect instructions or by other means (*such as if the client has erroneously indicated payment instructions due to power failure in the bank's on-line billing system, the suspension of payment due to suspicion of the potential terrorist financing or money laundering, etc.*).

The contracting parties undertake to inform each other of the fact that the payment order is not possible to settle within the agreed deadline. Implementation of the payment order is then based on the mutual agreement of both parties in the subsequently changed time, but otherwise in the same, original course, specified in the information sent to the payer after the receipt of the payment order, unless the parties voluntarily agree otherwise.

After the mutual approval of the payment order and sending information to the payer after the receipt of the payment order, implementation of the payment order is binding for both parties and the payment institution or client cannot cancel the payment order by the deadline set for the transfer of funds intended to cover the payment transaction according to the information sent to the payer after the receipt of payment order, unless both parties approve the cancellation of the payment order.

If the client fails to transfer the funds intended to cover payment transactions within the agreed time to the account of the payment institution and does not agree with the payment institution on an alternative date or on a solution, then the payment institution shall have the right to cancel the payment order. Cancellation of the payment order due to the client's default shall be free of charge and the payment institution and client cannot claim to be reimbursed for damages. Cancellation of the payment order due to the client's default shall be viewed by the payment institution as a serious breach of the contractual terms and the payment institution may proceed to terminate the contract in accordance with the conditions for the termination of the contract, with the termination notice of two months.

The payment institution shall not transfer the funds according to the instructions if it is prevented from doing so by the law (*in particular the Act No. 253/2008 Coll., on certain measures against money laundering and terrorist financing, as amended, and the Act No. 69/2006 Coll., on the implementation of international sanctions, as amended*) or an individual act that is obligatory for payment institution, issued by the relevant competent authority. Payment institution shall not be responsible for any damage the client may have incurred because of its inability to transfer the funds due to the enforcement of the Czech Republic laws, the laws of other countries or international organizations.

The rules for handling complaints

Every client of the payment institution shall have the right to express dissatisfaction with the provision of payment services, currency exchange services, or the conduct of the company's employees and shall do so in the form of verbal or written complaints and grievances.

Submission and handling of complaints and grievances shall be governed by the Rules for handling complaints and grievances ("Complaints Procedures").

The current text of the Complaint Procedures is available at the payment institution's head office, at every branch of exchange offices and in electronic format on the payment institution's website.

Changes and revisions to the Terms

Following the development of the legal and business environment and with regard to its trade policies, payment institution shall have the right to change these Terms at any time, while the changes must be published at least two months in advance.

Payment institutions must also pass the draft of the changes to the Terms to each client with a valid contract no later than two months before the changes become effective and must do so by the agreed communication channel.

Changing the Terms shall be deemed to be accepted by the client if the client was informed about the changes at least two months before the changes became effective, if the client did not refuse the proposed changes to the Terms, if the payment institutions informed the client about the consequences of these changes and if the payment institution has informed the client of his right to immediately withdraw from the contract without any charge before the changes to the Terms become effective.

Payment institution shall provide access to the current and full text of the Terms at the company head office and on its website <http://www.exchange.cz>.

Final provisions

Client shall be allowed to unilaterally terminate this contract at any time, with immediate effect and without giving any reasons. Contract can be terminated at no charge. Contract termination does not absolve the parties of the obligation to settle the obligations incurred at the time of contract. Payment institution shall be allowed to terminate the contract by serving a two-months notice, about which must inform the client in writing.

Unless agreed otherwise, legal relations arising between the client and payment institution shall be governed by the laws of the Czech Republic.

Unless the contract stipulates otherwise, the contractual terms and contract itself are binding in the Czech version.

In the event that any one or more provisions contained in these Terms shall for any reason be held to be invalid, ineffective or unenforceable in any respect and at any time, such invalidity, ineffectiveness or unenforceability shall not affect any of its other provisions and these Terms shall be interpreted as if such invalid, ineffective or unenforceable provisions have never been contained therein. In case such situations do occur, then any invalid, ineffective or unenforceable provisions shall be replaced by the valid, effective and enforceable provisions, which shall conform as close as possible to the economic interpretations of the invalid, ineffective and unenforceable provisions.

These Terms shall enter into force on April 20, 2011 and shall replace the previous EXCHANGE s.r.o. General Business Terms for trading in the foreign currency in their entirety.