



**HSBC BANK PLC, POBOČKA ZAHRANIČNEJ BANKY IN SLOVAKIA**

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**GENERAL TERMS AND CONDITIONS  
FOR PERSONAL FINANCIAL SERVICES**

**12/2010**

**HSBC BANK PLC, POBOČKA ZAHRANIČNEJ BANKY IN SLOVAK REPUBLIC  
GENERAL TERMS AND CONDITIONS FOR PFS**

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## A. GENERAL PART

### 1. INTRODUCTORY PROVISIONS

- 1.1 These Terms and Conditions regulate relationships between the Bank and the Client established by a Contract and/or other contractual arrangement (for example a Frame Contract) entered into between the Bank and the Client in relation to provision of Banking Services. The Client may enter into contractual relationships with the Bank only, if in accordance with these Terms and Conditions and generally binding legal regulations applicable on the territory of the Slovak Republic, and that in the given order. The Bank and the Client have further agreed that use of any provision of any legal regulation, the wording of which is not mandatory, is expressly excluded, and that to the extent to which the use thereof could alter (whether completely or partially) the meaning, purpose, or interpretation of any provision of the Terms and Conditions, or the Contract, or the Frame Contract. To eliminate any doubts, the Bank retains all other rights arising thereto out of legal regulations. Certain types of Transactions conform to the internal regulations of the Bank, as well as to banking practices.
- 1.2 In accordance with the relevant legal regulations, the Terms and Conditions for an integrated part of the Contract and/or the Frame Contract and/or other contractual arrangements entered into between the Bank and the Client in relation to provision of Banking Services, and that regardless the fact whether the relevant Banking Service is expressly specified in the Terms and Conditions or not.
- 1.3 By signing the Contract or submitting an application for provision of a Banking Service, the Client expressly confirms to have got familiarised with these Terms and Conditions and agrees to comply with the provisions hereof, whereby they concurrently attest sufficient consent in accordance with Article 2, Part A hereof.
- 1.4 By signing the relevant Contract or submitting an application for provision of a Banking Service, the Client further confirms to have got duly familiarised with the Price List, Notice and other documents and information relevant for provision of Banking Services.
- 1.5 In the event the provisions of the Contracts or other contractual arrangements entered into between the Bank and the Client in relation to provision of Banking Services differ, or are in contravention of the Terms and Conditions, the provisions of the Contracts hold precedence over these Terms and Conditions, with the exception of the cases as set forth in Article 18 par. 18.3 Part A. hereof.
- 1.6 The Client shall ensure that the Authorised Persons and Agents, who use Banking Services, or take part in their acquisition as well, be duly familiarised with the relevant Contract, the Terms and Conditions, the Price List, and Notices relevant for the particular Banking Service.
- 1.7 HSBC Bank plc and the Bank constitute one legal entity and any liability to pay any deposit constitutes the liability of HSBC Bank plc as a whole. Nevertheless, despite that, HSBC Bank plc may not be held liable for deposit payment via its headquarters, or any other branch, if the Bank cannot pay the deposit in consequence of: (i) a war condition, an uprising, or a civil commotion in the Slovak Republic, or (ii) actions or omissions to act on the part of the Government or government bodies in the Slovak Republic whether these facts de iure, or de facto, prevent or otherwise affect the deposit payment or not.
- 1.8 HSBC Bank plc and the Bank as its branch operating in the Slovak Republic on the principle of single European banking licence conforms to the regulations of the national regulatory body of the Bank in the United Kingdom of Great Britain and Northern Ireland, the Financial Services Authority (FSA). The FSA regulations require, inter alia, that clients of the Bank be informed of the FSA rules concerning disposal of their assets (the "Client Money Rules"). In view of the fact HSBC Bank plc is an "approved bank" (the "approved bank"), in the meaning of this notion as defined in the FSA regulations, the Bank is in possession of any funds in the name of its clients and not as a trustee of the funds (the "trustee"). In consequence thereof, the possession of the funds does not conform to the FSA rules concerning disposal of clients' assets (**Client Money Rules**).

## 2. DATA PROTECTION AND BANKING SECRECY

- 2.1 By signing the Contract and/or submitting an application for provision of a Banking Service, the Client gives their consent to processing of their Data, including personal data, in accordance with the provisions of the Personal Data Protection Act, and that for the purposes specified in par. 2.2 below. The Client concurrently confirms to have been informed of their rights, as the affected party with respect to personal data protection, in particular of: (a) provision of information on the purposes and agents of Data processing, (b) request for Data transcription, redress, liquidation and/or blocking. In the event of violation of the obligation of the Bank, the Client is authorised to contact the Office for Personal Data Protection and request that the relevant measures be executed. The Client gives this consent for a period starting as on the day of the consent grant until after the expiry of the term of archiving and destructing official documents, for a period of at least 5 years as of termination of the contractual relationship between the Client and the Bank.
- 2.2 The Bank undertakes to process the Data of the Client, in accordance with the provisions of the Personal Data Protection Act and other generally binding legal regulations, in particular for these purposes: (a) for the purposes, for which the Client has expressly given their consent, (b) for the purpose of negotiations on contractual relationship (c) for the purpose of performance of the Contract and the Frame Contract, (d) for the purpose of protection of important interests of the Client, (e) for the purpose of protection of the rights of the Bank, creditor, or other authorised person, (f) for the purpose of audits, and (g) for the purpose of provision of Marketing Services. The Client gives to the Bank their express consent to make copies of their identification data containing their image.
- 2.3 The Client may at any time withdraw their consent and request the Data to be liquidated, unless specified otherwise by the Personal Data Protection Act.
- 2.4 The Bank shall not disclose (a) any Data, in particular, the personal data of the Client within the meaning of the Personal Data Protection Act, (b) the information constituting bank secret in accordance with the Banking Act, (c) the information classified as confidential in the Contract, (d) as well as any other information which is not publicly available and known and is by nature subject to protection in accordance with the relevant legal regulation, in particular, in accordance with the Commercial Code (collectively the **Confidential Information**).
- 2.5 The Bank is authorised to provide Confidential Information to third parties only in cases to the extent and under the terms as set forth in the applicable legal regulations, valid decisions of courts and administrative bodies, in the cases governed under the Terms and Conditions, the Frame Contract, or in other contractual relationships between the Bank and the Client, and in the cases, in which the Client gives the Bank for this purposes their express consent.
- 2.6 By signing the Contract and/or submitting an application for provision of a Banking Service, the Client gives their consent to provision of Confidential Information to any companies under direct or indirect control of HSBS Holdings plc, having registered office at 8, Canada Square, London E14 5HQ, United Kingdom of Great Britain and Northern Ireland particularly to the company named HSBC Service Delivery (Czech Republic) s.r.o., Ostrava, Moravská Ostrava, Hornopolská 3308/40, PSČ 702 00, Czech Republic, Company ID: 286 03 028 and a company named HSBC Service Delivery (Polska) sp z.o.o., seated at Krakowska 280, 32-080 Zabierzów, Poland, Registered in the District Court for the Capital City of Warsaw, XII Commercial Division of the National Court Register under the number KRS 000310459, NIP 525-24-29-107, share capital 13.050.000 PLN.
- 2.7 By signing the Contract and/or submitting an application for provision of a Banking Service, the Client gives their consent to distribution of Marketing Information, including advertising by automatic telephone dialling system, telefax, and electronic mail.
- 2.8 The Client takes into account and agrees to be, within the meaning of Article 93a Banking Act, upon request of the Bank, and for the purposes of ascertaining, verifying and controlling the identification of the Client (or its representatives), for the purposes of entering into and performing transactions between the Bank and the Client, and for other purposes as set forth in Article 93a Banking Act (or other provision of a generally binding legal regulation that would replace Article 93a Banking Act), obligated to provide the

Bank with data to the extent as set forth in Article 93a Banking Act, as well as to enable the Bank to obtain the data by recording them on information media, in accordance with Article 93a Banking Act. When entering into and executing a transaction via telephone service of electronic communications, the Bank is authorised to process for these purposes also biometric data of the Client, the Authorised Persons, or other representative of the Client, to the extent of biometric voice recognition.

- 2.9 The Client agrees with disclosure and provision of information on all credit facilities and bank guarantees provided to the Client, information on claims, and on security of the Bank's claims with respect to the Client arising out of the provided credit facilities and bank guarantees, information on repayment of their liabilities arising out of the provided credit facilities and bank guarantees, information on security provided by the Client for repayment of credit facilities and bank guarantees, and information on their solvency and credibility from the perspective of repayment of their liabilities, and that, including any information obtained by the Bank in the course of negotiations on entering into those transactions, which are subject to the bank secret protection to the extent as set forth in the Banking Act, and that: to an enterprise providing auxiliary Banking Services, which is an operator of the joint register of banking information in accordance with the Banking Act, an entity appointed to process data in joint register of banking information under the terms as set forth in the relevant act, as well as to any banks and branches of foreign banks within the meaning of the Banking Act, and to the National Bank of Slovakia.
- 2.10 The Client further expressly and voluntary gives their consent that the Bank is authorised to provide their Data and any other information obtained with foreign payment system execution to third parties abroad for the purpose of (i) execution of payment transactions within foreign payment system and (ii) information provision to foreign providers of payment services in relation to execution of payment transactions and provision of interbank information, and that, in particular, to Society for Worldwide Financial Telecommunications s.c., having registered office at Avenue Adele 1, B-1310 La Hulpe, Belgium (SWIFT). The Client gives the Bank this consent for a period necessary for processing and executing the Client's order or payment service for the Client. The Client declares to be aware of the fact that SWIFT is a worldwide organisation executing cross-border payment system, operating a worldwide network for electronic exchange of messages on payment transactions between providers of payment services and other financial institutions. In relation to foreign payment system execution, the Data of the Client as the payer are comprised in the particular payment order, and that, in particular to the extent: title, name, surname, address, account number, sum, and purpose of payment provided to SWIFT, and subsequently provided thereby to the payment service provider of the payment beneficiary. For the reason of the system and processed data protection, the transmitted data are stored temporarily in 2 SWIFT operating centres based in the EU and in the USA. The Office for Personal Data Protection has recommended that this information be published as response to the fact that the USA government institutes may access the data stored in the SWIFT operating centre based in the USA in relation to fight against international crime and terrorism.
- 2.11 The Client is liable for accuracy and veracity of the Data provided to the Bank.

### **3. CLIENT IDENTIFICATION**

- 3.1 For the purpose of provision of Banking Services and enforcement of regular identification of the Client, the Bank may request Identification Documents or other documents and information, if necessary under the particular circumstances, in accordance with the legal standards and general principles of caution applied by the Bank in its transactions. The Client acts in relation to the Bank either directly (if the Client is a natural person, they act directly, if acting in person; if the Client is a legal entity, they act directly, if acting via a statutory representative on their behalf), or indirectly via a representative. If a representative acts on behalf of the Client (by law or power of attorney), we verify the identity of the representative, and the person shall concurrently present the relevant document authorising them to represent the Client.
- 3.2 The Bank is authorised to identify the Client before they enter into a legal relationship with the Bank and also at any time for the term thereof. The Bank shall refuse to execute any Transaction provided the Client would request anonymity. The Client shall confirm their identity by presenting their Identification Documents to the Bank, and, if crucial for identification under the circumstances, also by presenting other documents and information. The Client shall meet every such request of the Bank.

- 3.3 The Bank shall verify accuracy and veracity of the provided identification data against originals of the Identification Documents. For these purposes, the Bank is authorised to request transcriptions of the Identification Documents or other documents, and request that the signatures on those documents be authenticated by a notary or other body within the meaning of the applicable legal regulations. In the event the Client would present documents in a foreign language, with the exception of the documents in the Czech language, the Bank may not accept those documents and is entitled to request their official translation into the Slovak language.
- 3.4 When the Client presents the Bank with documents issued by foreign countries' authorities, the Bank may at all times request the Client to provide Apostille (certification) of those documents, or to have them accordingly legalized by the competent Slovak consulate, if the country has not entered into an international treaty on legal assistance or an agreement on mutual recognition of public documents with the Slovak Republic.
- 3.5 If the Client has already confirmed their identity at the time of entering into the legal relationship with the Bank, the Bank may decide to identify the Client only by checking validity of the already presented Identification Documents or other documents and information, used with primary identification procedure.
- 3.6 The Bank may refuse to provide a Banking Service, if the Client fails to present Identification Documents and other documents or information required by the Bank for identification.
- 3.7 The Client gives their express consent that the Bank may make and retain copies of any presented Identification Documents or other documents for own needs, and that in any way which is in accordance with the relevant legal standards.
- 3.8 The Bank acts in good faith with acceptance of contents and authenticity of the presented Identification Documents, other documents, and provided information. The Bank may not accept any document, if it reasonably doubts the authenticity and accuracy thereof.

#### 4. COMMUNICATION

- 4.1 The Client and the Bank undertake to proceed in mutual communication in accordance with the Contract, the Frame Contract, and the Terms and Conditions, and the generally binding legal regulations.
- 4.2 Unless agreed otherwise, the Client and the Bank may use in their mutual communication any personal meetings, telephone, mobile telephone, post, personal delivery, fax, SWIFT, e-mail, or other electronic communication devices.
- 4.3 The Bank may call upon the Client to confirm any communication with the Bank, which has not been recorded in a written form (including the electronic form) by providing the Bank with the particular notice in a written form within a period of 3 Business Days. If the Client fails to provide the confirmation within the given period, the Bank is authorised not to proceed in accordance with the notice.
- 4.4 In any case that the Bank may find appropriate, the Bank may use a printed signature of the person authorised to act on behalf of the Bank, instead of a manu propria signature, in particular, in the cases of any mass correspondence with Clients, or in any case of correspondence generated automatically by the Bank, in particular, account statement, notice of default.
- 4.5 Upon the Client's request, the Bank will provide the Client at the time of signing the special contract (by rule, the Current Account Contract) with one series (100 pieces) of randomly generated numeric combinations - authentication codes (**List of Authentication Codes**). The Bank retains an identical list in custody. The Client undertakes to designate every telefax message for the Bank by an authentication code from the issued List of Authentication Codes, and that in the chronological order thereof. Each authentication code will be used only for one message. The Bank will issue another series of authentication codes to the Client upon its request once all the codes in the series have been used.
- 4.6 The authentication codes come into effect as on the day the Client delivers to the Bank a confirmation of receipt of both the parts of authentication key. The Bank shall subsequently notify the Client of the effective date of the authentication key by fax message, unless agreed otherwise. The Client may use the authentication key only for the term of the Contract validity. The Bank shall deem any notices, orders, or

instructions it has received, and with which correct authentication key number has been used, binding, and shall not require any additional confirmation, unless specified otherwise herein or in the Contract. The Client shall protect the authentication keys against loss, theft, fraud, or inappropriate use. In case a payment order comprises an authentication key identified by the Bank as incorrect, the Bank shall contact the Client and request further specification or correction thereof. In the event the Client cannot be contacted, the payment order will not be executed.

- 4.7 By rule, the Bank verifies authenticity of every received message by comparing the sending station number with the number specified in the special contract, or exhibits thereto, by comparing the authentication code specified in the message with the expected authentication code against the list of authentication codes of the Bank, and by comparing the signature of the persons authorised to dispose of the account balance against the specimen signature integrated in the special contract. In case the message authenticity would be affirmative, the Bank will process the Client's instructions as authentic.
- 4.8 The Client represents that the orders delivered to the Bank under the Contract, which satisfy all these terms: (a) designation by a numeric code from the list of authentication codes issued by the Bank hereunder, (b) signing in accordance with the specimen signature of the Client, represent their valid and legally binding orders given to the Bank. The Client and the Bank have agreed that the documents held by the Bank shall be deemed sufficient evidence attesting the above fact, with the exception of their apparent and material inaccurate nature.
- 4.9 The Bank may not guarantee that its electronic communication would not be affected by technical and/or other failures, breakdowns, delays in operation or transmission or disconnection of internet; or virus attacks; unauthorised attacks of third parties, or system failures. Despite that, the Bank shall adopt measures to ensure appropriate and safe electronic communication operation, the Bank shall not be liable for any damage caused in relation to electronic communication operation, with the exception of any cases where the damage is caused by negligence of obligations on the part of the Bank.
- 4.10 The Bank may record and archive any communication between the Bank and the Client via any technical means, whereas the Bank by rule informs the Client in advance thereof in an appropriate manner.
- 4.11 Unless agreed otherwise, the Client shall use in mutual communication the forms generated and approved by the Bank. The Bank is authorised to approve a certain document or form by accepting it.

## **5. DELIVERY**

- 5.1 The Bank and the Client deliver posts in person, in particular, at the Business Premises of the Bank, by courier service, post, electronic communication devices, or other method that would ensure provable delivery, or non-delivery of the post. Unless agreed otherwise, the Bank delivers posts to the last known address of the Client provided to the Bank in writing for this purpose and the Client delivers any posts to the Bank to this address: HSBC Bank plc, pobočka zahraničnej banky, having registered office at the Europeum Business Center, Suché mýto 1, 811 03 Bratislava. The Bank and the Client deliver some posts also via electronic mail (email) to the email address of the Client specified thereby in the Contract, or otherwise notified to the Bank.
- 5.2 The Bank and the Client have agreed that any post is deemed delivered as on the 3<sup>rd</sup> Business Day as of presentation thereof for delivery and in case of a cross-border post as on the 10<sup>th</sup> Business Day, and that regardless the fact whether the Client have learnt of the post or not. The same applies also in case the post returns as undelivered.
- 5.3 Upon the Client's written request, the Bank may agree to deliver posts to the Client via an appointed Agent.
- 5.4 In the event the Client specifies as the address for delivery the address of the Bank and the Client fails to collect such post within a period of 100 Business Days as of the post delivery to the address of the Bank, the Bank is authorised to destruct the uncollected post and change the method of delivery to the Client to delivery of all posts addressed to the Client by post, in person, or by courier to the last known address of the Client
- 5.5 In the event of delivery by fax, any message is deemed delivered as on the moment the fax machine generates confirmation of successful sending. Any message sent by electronic mail shall be deemed

delivered as on the moment of sending thereof, but only in case the Client's email account server does not send an automatic reply message of failure to deliver the electronic mail.

- 5.6 The Bank is not liable for any damage incurred by use of post services, telephone, telefax, telegraph, or other communication or transmission means. This applies, in particular, to any losses, delays, misunderstandings, damage or duplicate posts. The Bank shall inform the Client without unreasonable delay of any change in its contact data specified in section 5.1 above. If the Client fails to proceed in accordance with this Article 5. Part A Terms and Conditions, it appears that the Bank duly delivered to the Client any post delivered by the Bank in accordance with this Article hereof.

## **6. CLIENT ORDERS**

- 6.1 The Bank shall execute all Client Orders addressed to the Bank provided these are comprehensible, precise, clear, accurate, and complete and satisfy all the other prerequisites specified in the Contract, the Frame Contract, and the Terms and Conditions, and the generally binding legal regulations. Otherwise, the Bank may refuse to execute the particular order. The Bank shall not verify accuracy, preciseness, and completeness of any information provided by the Client.
- 6.2 The Bank is under relevant legal regulations, in particular, the Legalization Act, authorised to defer or refuse to execute a Client order. The Bank may also postpone execution of any payment transaction, in the event of legitimate and justified suspicions that the Client would not be able to discharge their undertakings in relation to the Bank.
- 6.3 The Bank shall execute a written order received from the Client, if the signature on the order agrees with the Specimen Signature, and other prerequisites arising out of the Contract, the Frame Contract, and these Terms and Conditions are met with regard to the right to dispose of the particular Account.
- 6.4 Unless agreed otherwise or unless the Frame Contract specifies otherwise, the Client may not change or withdraw any order already delivered to the Bank. This provision does not affect the provisions under section 11.8 Part A hereof.
- 6.5 The Contract does not terminate by death of the Client. The provisions of the Contract, the Frame Contract, and these Terms and Conditions and Specimen Signatures to the Account remain in force until the moment the Bank learns of the Client's death. The validity of the Specimen Signature expires as on that moment and the Bank shall cease to execute orders with respect to disposal of the Client's Account. The Bank shall enable disposal of the Account funds in accordance with the instructions of the court or other body appointed to execute the related probate proceedings.

## **7. NOTIFICATION**

- 7.1 For the term of provision of Banking Services, the Bank and the Client conform to the duty to notify any event, fact, omission, or mistake, which are material for their relationship, and shall promptly respond to any mutual questions concerning those matters. For the term of provision of a Banking Service, the Client shall inform the Bank without delay of any event, change, or fact, which may potentially have a material impact on the provision of a Banking Service, Contracts, or capacity of the Client to perform their undertakings in relation to the Bank. The Bank may request the Client to provide evidence that would sufficiently attest occurrence or presence of such event, change, or fact.
- 7.2 The Client shall inform the Bank without delay of any change in the Data concerning the Client, the Authorised Person, or the Agent. In addition, the Client shall inform the Bank of any amendments or annulment or expiry of validity of any power of attorney or other authorisation, issued by the Client to their Agent. The Bank may call upon the Client to provide evidence that would in the opinion of the Bank sufficiently confirm such amendment, annulment, or expiry of validity. In addition, the Client shall inform the Bank without delay of any fact that has a material impact on their legal status (e.g. bankruptcy proceedings, execution proceedings with respect to the Client, etc.). In the event the Client does not inform the Bank per se of such fact, the Bank is authorised to acquire such information or documents attesting such fact per se, and that at the Client's expense.

- 7.3 The Client shall inform the Bank of any case of loss of the documents of material significance in relation to provision of Banking Services, as well as Identification Documents of the Client, the Authorised Persons, or the Agent. The Client shall also inform the Bank of any case of loss of password, codes, etc., obtained from the Bank or a third party in relation to provision of Banking Services.
- 7.4 Upon the Bank's request, the Client shall provide evidence to the origin of their funds and provide the Bank with any additional requested information.

## **8. ACTING OF THE CLIENT AND THE BANK**

- 8.1 The Client acts in relation to the Bank at all times in person or via an Authorised Person, or an Agent. The Bank may request the Client to perform certain legal acts in relation to the Bank exclusively in person.
- 8.2 The Bank is authorised to verify the authorisation of the person acting on behalf and for the Client's account and refuse or withhold for this purpose the performance of any order or request of the Client until the Bank acknowledges that the person is without any doubt authorised to act in the particular matter on behalf and for the Client's account.
- 8.3 Unless a legal standard specifies a precise form of power of attorney or other authorisation, the power of attorney of the Client for their Agent shall have the form specified by the Bank, unless the Bank and the Client agree otherwise, shall be duly signed by the Client, and accepted by the Agent. The Client's signature on the power of attorney shall be attached in presence of an employee of the Bank or shall be authenticated by a notary or in other authorised manner considered adequate by the Bank.
- 8.4 From the perspective of the protection of interests of the Client, the Bank may request the Agent or the Authorised Person to confirm their identity in a way as set forth herein.
- 8.5 The Bank shall act via its authorised employees or third parties authorised to act or whose authorisation to act on behalf of the Bank arises out of the relevant authorisations.

## **9. DECLARATION OF OWNERSHIP OF FUNDS**

- 9.1 The Bank is in accordance with the relevant legislation, in particular, in accordance with the Legalization Act obligated to ascertain the ownership of funds used by the Client in business transactions with the Bank of value in excess of the sum as set forth in the Banking Act (EUR 15,000). The ownership of funds is ascertained in a form of a binding written declaration of the Client. By signing the Contract, the Client bindingly declares that all the funds used for execution of any Transaction with the Bank are under their ownership and that they execute those Transactions for own account. In the event the funds are under ownership of other person and/or the Client does not execute the Transaction for own account, the Client shall provide the Bank with the required identification Data of thus affected party and concurrently deliver to the Bank written consent of the affected party to use their funds for the executed Transaction and/or Transaction execution for the account of the affected party.
- 9.2 The declaration of ownership of funds is provided and deemed valid for the entire term of the relationship with the Bank, shall be used with execution of every Transaction in the value of at least EUR 15,000, or an equivalent sum in a foreign currency, and applies also to execution of Transactions by parties authorised thereto by the Client, or appointed to execute Transactions on behalf of the Client with the Bank, or to dispose of the funds of the Client. In addition, the Client declares to be the final beneficiary within the meaning of the Legalization Act.
- 9.3 The validity and veracity of this declaration of the Client constitutes prerequisite to execution of any Transaction with the Bank.

## **10. PAYMENT SERVICES**

- 10.1 The Bank provides payment services within the meaning of the Payment Services Act to the extent as set forth in the Contract, the Terms and Conditions, the Notice, the Table of the Exchange Rates and the Price List, or other documents governing provision of payment services and provided and disclosed by the Bank

to the Client (all those contracts, including the Contract, these Terms and Conditions, as well as any terms and documents governing provision of payment services, collectively referred to as the **Frame Contract**).

- 10.2 The Bank performs payment services for the Client, and that, in particular, by receiving payments to the Client's account, reserved for payment system performance, and uses the account to make payments in accordance with the Frame Contract. The Client may carry out only noncash payment transactions, including transfer of funds from an account or to an account via a one-time or a standing payment order, and that in a form of a payment order or a direct debit (**Order**).
- 10.3 In accordance with the Payment Services Act, the Bank provides the Client for no charge, for the term of the Frame Contract, upon their request, with information, in particular, on provided payment service, the methods of communication between the Bank and the Client, the Frame Contract, and the mutual rights and obligations of the Client and the Bank.
- 10.4 Unless the Bank and the Client agree in the Frame Contract otherwise, the Bank provides the Client for no charge at least once a month with information on durable media on the performed payment transactions to the extent as set forth in the Payment Services Act (if the Client is the payer, the Bank provides the Client, in particular, with (i) the datum identifying the payment transaction, and, if viable, also (ii) the datum identifying the beneficiary of the payment transaction, (iii) the sum, (iv) the currency of the payment transaction, (in) the sum the Bank has debited from the Client's account, (vi) the information on fees for payment transaction execution, (vii) the foreign exchange rate (if the payment transaction involves foreign currency conversion), and (viii) the value date of the payment transaction). In the event the Client is the beneficiary of the payment transaction, the Bank shall provide the Client, in particular, with (i) the datum identifying the payment transaction, and, if viable, also (ii) the datum identifying the payer, (iii) the sum, (iv) the currency of the payment transaction, (in) the sum the Bank credited to the Client's account, (vi) the information on fees for the payment transaction execution, (vii) the foreign exchange rate (if the payment transaction involves foreign currency conversion), and (viii) the value date of the payment transaction. In the event the Client and the Bank would agree on other method of informing the Client than as specified in this Article 10.4 Part A hereof (for example, change in frequency, format, content of the information, etc.), the Bank is authorised to request the Client to pay an adequate sum for the provided information in accordance with the requirements of the Client.
- 10.5 The Bank and the Client have agreed that any Order shall comprise these data: (i) those required by the Payment System Act, (ii) those agreed separately between the Bank and the Client, (iii) in case of a cross-border transfer of funds, also the transfer charge code (SHA/OUR/BEN), and (iv) with payments in EUR to the countries of the European Union or the European Economic Area (**EEA**), the Client specifies account number in the IBAN format and the SWIFT (BIC) code of the beneficiary. Additional information may be provided in the Order (e.g. variable symbol, specific symbol, constant symbol, other additional data), of which the Bank shall notify the bank of the beneficiary; the Bank shall notify the bank of the beneficiary of text messages to the extent of its technical capacities, whereas the Bank is not liable for non-execution or erroneous execution of any payment transaction, if caused by such additional information. With standing payment order or standing direct debit order, the Client shall agree with the Bank also on the amount and due date of individual payments.
- 10.6 Upon the Client's request, before execution of any payment transaction upon initiative of the Client as the payer, the Bank provides information on the maximum period for the payment transaction execution and the fees the Client shall pay to the Bank for the payment transaction execution. By rule, the Bank provides the information herein and in the Price List.
- 10.7 Unless the Bank and the Client agree in the Frame Contract otherwise, the Bank is authorised to request the Client for performance of payment services to pay fees and reimburse any costs related to the payment transaction execution. The Client expressly agrees that the Bank is authorised to decrease the sum of the payment transaction by its fees and costs related to the payment transaction execution only in the event of other payment transaction than payment transaction upon initiative of the Client, which involves debiting funds from the Client's account.
- 10.8 Any transfer (payment transaction) within the EEA countries (both the beneficiary and the payer shall be members of the EEA) in EUR up to the sum of EUR 50,000 is deemed a separately regulated cross-border transfer, whereas IBAN, BIC code (SWIFT) shall be provided correctly and the charge code shall be set to

"SHA" (the payer pays own bank's fees/the beneficiary pays the others), name and address of the beneficiary without any additional messages (**Regulated Payments**).

- 10.9 The Client and the Bank have agreed that for all payments within the EEA in the EEA currencies, the charge code shall be at all times set to "SHA", and that regardless the fact whether the payment transaction would involve currency conversion or not. The Bank is at all times authorised to charge the Client the SHA fees for any EEA transaction. In the event the Client would not proceed in accordance with the previous sentence, the Bank shall be at any time, and without informing the Client in advance, authorised to change any other charge code to the SHA code with any payment transaction within the EEA in the EEA currencies.
- 10.10 The Client may at any time revoke in writing the Frame Contract and that also in case the Contract is entered into for a definite period. The Bank and the Client have agreed that the period of notice for revocation placed by the Client is one month and starts to run as on the day following the day of the notice delivery to the Bank. The provision of Article 2.3. Part B hereof shall not be affected thereby. The Client's Signature on the revocation of the Frame Contract shall be authenticated by a notary or an appointed employee of the Bank.
- 10.11 The Bank may at any time and also without providing a reason revoke the Frame Contract in writing under a two-month period of notice. The period of notice starts to run as on the day following the day of the written notice delivery to the Client. The provision of Article 2.2. Part B hereof shall not be affected thereby.

## **11. PAYMENT SYSTEM**

- 11.1 The Bank performs payment services for the Client, and that, in particular, by receiving payments to the Client's account intended for payment system execution and uses the account to make payments in accordance with the Frame Contract.
- 11.2 The Bank shall receive the Client's payment orders only during operating hours.
- 11.3 The moment the Bank receives payment order from the Client or upon initiative of the beneficiary is deemed the moment of the payment order (Order) receipt. Should the moment of receipt fall upon other than Business Day of the Bank or if the payment order is received after the time interval reserved for processing outgoing payments specified in section 11.5 this Article hereof, the Order is deemed received on the following Business Day.
- 11.4 Orders shall be executed only in case the Client's Account balance is sufficient to cover the amounts of the Orders and concurrently the fees of the Bank and if the Client's Account is not subject to any limitation to dispose of the Account funds.
- 11.5 If the Order does not contain specific instruction, or unless agreed otherwise, the Bank shall execute the Order in accordance with the following rules:
- a) any Orders placed by fax or in person **in euro in the domestic payment system (within the SR):**
    - received on a Business Day until 11:00 a.m. (D) shall be processed and the sum transfer shall be debited from the Client's Account and the sum transfer shall be credited to the account of the provider of payment services of the beneficiary the next Business Day (D+1);
    - received on a Business Day after 11:00 a.m. (D) shall be processed by debiting the sum transfer from the Client's Account and crediting the sum transfer to the account of the provider of payment services of the beneficiary the second day following the Business Day (D+2).
  - b) Orders placed by fax or in person **in a foreign currency or in euro in the foreign payment system:**

- received on a Business Day until 01:30 p.m. (D) shall be processed and the sum transfer shall be debited from the Client's Account the same Day (D); the Bank shall credit the transfer sum to the foreign bank of the beneficiary under the value date of the second Business Day following the processing day (D+2);
  - received on a Business Day after 01:30 p.m. (D) shall be processed and the sum transfer shall be debited from the Client's Account the next Business Day (D+1); the Bank shall credit the transfer sum to the foreign bank of the beneficiary under the value date of the second Business Day following the processing day (D+3).
- c) **Orders in any currency if the payment account of the beneficiary is maintained with the Bank (intra-bank transfer):**
  - in case the payment account of the beneficiary is maintained with the Bank, payment orders received on a Business Day until 04:00 p.m. (D) shall be processed and the transfer sum shall be debited from the Client's Account and concurrently credited to the payment account of the beneficiary the same Business Day (D);
  - in case that payment account of the beneficiary is maintained with the Bank, payment orders received on a Business Day after 04:00 p.m. (D) shall be processed and the transfer sum shall be debited from the Client's Account and concurrently credited to the payment account of the beneficiary the next Day (D+1).
- 11.6 Unless specified otherwise in the Frame Contract, or unless the Client and the Bank agree otherwise, the Client gives consent to payment transaction execution as set forth in Article 3 section B. hereof (acts of the Client and the Bank, Client Orders). Unless specified otherwise under a legal regulation, payment transaction is authorized, if the Client as the payer has given their consent thereto.
- 11.7 The Client gives their express consent to the payment transaction execution as follows: (i) for payment transactions placed by fax, as at the moment of successful delivery of fax message to the Bank, once the Order has been provided with the relevant and accurate unique identifier within the meaning of the provisions section 4.6 Part A hereof and (ii) for payment transactions placed in person, as at the moment the Client signs the relevant Order form within the meaning of Specimen Signatures or separate power of attorney, or delivery of the relevant Client's Order form in accordance with the provisions of Article 5 Part A hereof.
- 11.8 The Client shall not revoke their consent to payment transaction execution given within the meaning of this Article hereof once the Bank receives the Order, except for these cases: (i) if the Order is placed by the beneficiary or via the beneficiary, the Client shall not revoke the Order to execute the payment transaction once the Order has been sent or once the Client has already given consent to the payment transaction execution to the beneficiary; (ii) in case of direct debit, if the Client has given their consent to the payment transaction execution directly to the Bank, the Client may revoke the Order and thereby concurrently the given consent at latest by the end of the Business Day preceding the agreed day of debiting the funds from the Client's account; (iii) in case of direct debit, if the Client has given their consent to the payment transaction execution directly to the beneficiary, the Client may revoke the Order for individual payment transaction executed against such consent at latest by the end of the Business Day preceding the agreed day of debiting the funds from their Account: The Bank and the Client have agreed that for the above specified cases, if the Client revokes their consent, or an Order delivered to the Bank, the Client shall not be entitled to refund of funds in accordance with the provisions Article 13 par. 1 Payment Services Act, if the Client has given their consent to the payment transaction execution directly to the Bank and the Client has been provided or given the information on the particular future payment transaction sum in the agreed manner at least 4 weeks before the date of debiting the payment transaction sum by the Bank or the beneficiary, if viable.
- 11.9 After the periods specified in section 11.8 Part A hereof, the Client may revoke an Order only upon consent of the Bank; direct debit transactions require also the consent of the beneficiary to the special agreement.
- 11.10 The Bank is authorized to charge the Client for part or all of any costs and expenses incurred thereon in relation to the Order revocation.

- 11.11 The Bank is authorized to refuse to execute the Client's Order at own discretion and without informing the Client thereof in advance, if the Order does not comprise complete and accurate information or if the prerequisites as set forth in all relevant legal regulations and the Frame Contract for such order execution are not met. The Bank is authorized to refuse to execute any Order, in particular: (i) if thus set forth in a generally binding legal regulation, decision of a judicial or administrative body, internal regulation concerning any member of the HSBC Group, (ii) if the Client records an overdue obligation in relation to the Bank, (iii) if the Order is not placed on valid forms or other information media, or communication means or within periods approved and set out for this purpose by the Bank, (iv) if the Client's Account balance is insufficient for the Order execution, (in) if the Order is placed by a person not authorized thereto, or (vi) if other prerequisites to Order execution are not met or the conditions to refuse the Order execution, as agreed between the Bank and the Client, are met.
- 11.12 If the Bank refuses to execute the Order, the Order shall not be received, in such a case the Bank shall inform the Client by rule by email or telephone or in other agreed method. If viable, the Bank shall inform the Client also of the reasons for refusal. If not in contravention of the relevant legal regulations, and if viable, the Bank shall inform the Client also of the reasons for refusal to execute the Order. The Bank is authorized to request the Client to pay in accordance with the Price List for the information in accordance with this section 11.12 Part A hereof.
- 11.13 In the event of mass/several Orders to be executed the same day, the Bank is authorized to decide on the order of execution of individual payment transactions at own discretion.
- 11.14 The Bank shall not correct any erroneous posting, arisen out of an erroneous Order of the Client. Any claims arisen out of thus placed Orders of the Client shall be deemed claims of the Client in relation to the beneficiary of the executed payment transaction.
- 11.15 The Bank shall not execute the Order of the Client concerning payments to/from abroad in other currencies than the currencies of the Bank set forth for foreign payments.
- 11.16 Any specific requests regarding Orders, conversion rules for foreign currencies and other conditions, technical means and information regarding payment system shall be published at the Business Premises of the Bank. Any other formal and content requirements concerning payment orders, including description of requirements, conditions and technical aspects of payment system are specified in the Contract, the Frame Contract, as well as in payment order forms of the Bank.
- 11.17 The Bank shall credit any received payments (direct debits) to the Client's payment account in accordance with the below rules:
- a) Payments received in euro via the domestic payment system (within the SR)**
- received to the Bank's account in an intermediary institution on a Business Day (D) shall be credited to the Client's account the same Business Day (D);
- b) Payments received in euro via the foreign payment system or payments in a foreign currency**
- shall be credited to the Client's Account, if the Bank receives swift message of the payment credit to its account with a correspondent bank until 03:00 p.m. on a Business Day (D) the same Business Day (D) or on the Business Day specified in the swift message (if later than D);
  - shall be credited to the Client's Account, if the Bank receives swift message of the payment credit to its account with a correspondent bank after 03:00 p.m. on a Business Day (D) the next Business Day (D + 1) or on the Business Day specified in the swift message (if later than D +1).
- 11.18 If processing of Orders and direct debits in a foreign currency involves conversion to other currency, the Bank shall use in this case, unless agreed otherwise, the foreign exchange rate as set forth in the Notice of the Bank, applicable as on the Order or direct debit processing day.

## 12. DEPOSIT PROTECTION

- 12.1 Client deposits are protected in accordance with the terms as set forth in Act No. 118/1996 Coll. on Protection of Deposits and on Amendment and Supplement to Certain Acts as amended; however, the Bank is not a member of the Slovak system of deposit and investment protection. As a branch of a foreign bank having its registered office in a member state and within the regime of single European licence, the Bank is a member of the home insurance system applicable in the Great Britain (Financial Services Compensation Scheme). With respect to the deposits with the Bank, compensations under the Financial Services Compensation Scheme are limited to 100% of the deposit value; however, the maximum compensation amount for deposit claims is limited to £85,000, or an equivalent amount for deposits denominated in other currency. The system covers also the funds entrusted to HSBC Bank plc having its registered office at 8 Canada Square, E14 5HQ London, United Kingdom of Great Britain and Northern Ireland (**HSBC Bank plc**) via the Bank as its branch for the purpose of providing investment services to Clients or in acting as an agent in relation to the Clients. In relation to financial instruments, this compensation scheme covers: (a) payment receipt and payment system related to instructions of certain types of financial instruments and performance of these instructions for other than own account, (b) trading in certain types of financial instruments for own account, (c) safekeeping and administration of certain types of financial instruments. The maximum compensation amount that can be obtained from the Financial Services Compensation Scheme for claims related to trading in financial instruments is limited to 100%; however, the maximum compensation amount is limited to £50,000 of the claim value per HSBC Bank plc related to trading in financial instruments, or an equivalent amount for claims denominated in other currency. The Financial Services Compensation Scheme applies to the full extent to claims of natural persons and small businesses; however, it does not apply to claims of large businesses. More detailed information of the Financial Services Compensation Scheme are available on the home site of the Bank or on <http://fsahandbook.info/FSA/html/handbook/COMP>.
- 12.2 More detailed information on insurance of deposits and their relation to individual Banking Services are available at the Business Premises of the Bank and on its Home Web Site.

## 13. LIABILITY OF THE BANK

- 13.1 The Bank is liable to the Client for due and timely performance of its obligations arising out of the Contract and the Frame Contract. The obligations of the Bank are deemed performed timely, if discharged within the deadlines as set forth in the relevant legal standards, the Contract, the Frame Contract, or within the deadlines reasonable with respect to the nature of the particular obligation, business practices and/or regular banking practices.
- 13.2 The Bank is not responsible for any damage arisen out of failure to perform a particular undertaking, if the failure is caused by circumstances excluding liability of the Bank, i.e. in particular: any events caused by force majeure, such as natural catastrophes, terrorism, wars, civil commotions, strikes, blockades, measures adopted by the institutions, the services of which the Bank uses in the payment system, acting of governments of states, authorities and/or courts and other impediments, which may arise independent on the will of the Bank and which the Bank, acting in accordance with the supreme professional standards, could not have anticipated, nor prevented at the time of the undertaking creation (e.g. traffic congestions, drastic changes in the market, failures in telecommunication services provided by a third party).
- 13.3 The Bank is not liable for any damage caused by violation of the obligations on the part of the Client, by default of the Client in discharge of their obligations arising, in particular, out of the Contract, the Frame Contract, or caused by events under the control of the Client.
- 13.4 The Bank is not liable for any damage caused by drop in the value of funds deposited in the Account in consequence of taxes, limitation of convertibility or transferability of those funds or other causes, which may arise independently on the will of the Bank and which the Bank could not have anticipated.
- 13.5 The Bank is not liable for any damage caused by illegal acting of the Client or a third party, including misuse of Identification Documents of the Client, the Authorised Persons and/or the Agents, counterfeit of the signatures of those persons, or counterfeit of a stamp/steal of the Client or other person, only should the damage be caused by negligence of the obligations on the part of the Bank to act with professional care.

- 13.6 The Bank is entitled to use third party services in execution of the Client's Orders, or performance of other Contracts with the Client, as well as escrow any goods, securities, and documents, to which the Client holds title, with third parties. The Bank is not liable for any action or omission to act of a third party, if it would be able to prove to have exerted due care in the third party selection.
- 13.7 The Bank is not liable for any damage caused by incapacity of the Bank to discharge its undertaking for reasons on the part of the Client, in particular, for lack of cooperation or failure to provide assistance on the part of the Client. The Bank shall neither be liable for any damage caused by the Bank with performance of any instruction the Client has ordered or requested to be executed, nor for any damage suffered by the Client on account of own decision of business or other than business nature.
- 13.8 In case of occurrence of any of the aforementioned events, the Bank shall take all reasonable measures to mitigate the negative impacts caused by those events, and thus minimise the caused damage.
- 13.9 If the Client identifies violation of the obligations on the part of the Bank, arising therefor out of the Contract, the Frame Contract, these Terms and Conditions, and the generally binding legal regulations, they shall notify the Bank thereof without delay and concurrently take all measures to mitigate any negative consequences of such acting of the Bank.

**14. LIABILITY OF THE BANK WITHIN PAYMENT SERVICES**

- 14.1 In the event of execution of an unauthorised payment transaction from the Client's Account, the Bank shall without unreasonable delay, once the Client notifies it thereof, (a) put the Account, from which the payment transaction sum has been debited, to the condition before the payment transaction, or (b) refund the payment transaction sum to the Client, if the procedure as set forth in section (a) is not viable. For the purposes of this section 14.1 Part A hereof, the words "without unreasonable delay" mean a period, which is objectively necessary for the Bank to form an opinion as to the fact whether an unauthorised payment transaction from the Client's Account has been executed and the person liable for the transaction.
- 14.2 The Client bears any loss of unauthorised payment transaction up to the sum of EUR 100, if the loss has been caused by use of lost or appropriated means of payment, or if the means of payment have been misused, if the Client has not ensured protection of their personalized security means (e.g. the List of Authentication Codes) as set forth in the Contract. In the event the loss would be denominated in other currency than EUR, the Bank shall convert the currency under the relevant foreign exchange rate specified in the Notice, applicable as on the day of notice of loss, or misuse, or appropriation of the means of payment.
- 14.3 The Client bears any loss of unauthorised payment transactions to the full extent thereof, if the Client has caused the loss by fraudulent acting or intentional acting or acting by gross negligence, and thus violated their obligation concerning the use of means of payment in accordance with the Contract or the Frame Contract or by violating their obligation to notify the Bank without unreasonable delay of the loss, appropriation, misuse, or unauthorised use of means of payment or execution of unauthorised payment transaction.
- 14.4 The Client does not bear the loss in accordance with par. 14.1 Part A hereof, if the loss has arisen after the notice of the Client of the loss, appropriation, misuse, or unauthorised use of the means of payment. In addition, the Client does not bear the loss in accordance with par. 14.1 Part A hereof, if the Bank has not enabled the Client to notify at any time the loss, appropriation, misuse, or unauthorised use of the means of payment.
- 14.5 The provision of par. 14.4 Part A hereof shall not be applied, if the Client has acted by fraud. If it would be proved after the Bank has provided the Client with the performance in accordance with par. 14.1 Part A hereof that the Client has not been entitled to such performance, the Client shall upon the call of the Bank return the provided performance, and that without delay and to the full extent thereof.
- 14.6 The Bank as the provider of payment services of the Client as the payer is liable to the Client for any erroneously executed payment transaction, except for case it would prove to the Client, and where applicable, also to the provider of payment services of the beneficiary, that the sum of the erroneously executed payment transaction has been duly and timely credited to the account of the provider of payment services of the beneficiary.

- 14.7 If the Bank in accordance with par. 14.6 Part A hereof is liable to the Client for an erroneously executed payment transaction and the Client has notified the Bank that they do not insist on the payment transaction execution, the Bank shall (a) put the Account, from which the payment transaction sum has been debited, to the condition before the payment transaction, or (b) refund the payment transaction sum to the Client, if the procedure as set forth in section (a) is not viable. This procedure shall be applied exclusively only in relation to the sum of the erroneously executed payment transactions, which had not been credited to the account of the provider of payment services of the beneficiary before the Client has notified the Bank that they do not insist on the payment transaction execution, and that under the condition the Bank would prove to the Client the credit of funds to the account of the provider of payment services of the beneficiary.
- 14.8 If the Bank in accordance with par. 14.6 hereof is liable to the Client for an erroneously executed payment transaction and the Client has not notified the Bank that they do not insist on the payment transaction execution, the Bank shall without unreasonable delay ensure that the payment transaction sum would be credited to the account of the provider of payment services of the beneficiary.
- 14.9 If the Bank acts as the provider of payment services of the Client as the beneficiary, then it is liable to the Client for an erroneously executed payment transaction only to the extent, if the provider of payment services of the payer is not liable for this erroneously executed payment transaction to the payer. If the Bank in accordance with the previous sentence is liable to the Client for an erroneously executed payment transaction, the Bank shall without unreasonable delay (a) put the Client's Account to the condition, in which it would be, if the erroneously executed payment transaction would not have occurred, or (b) render the payment transaction sum for disposal to the Client, if the procedure in accordance with section (a) is not viable.
- 14.10 The provisions of par. 14.6 to 14.9 Part A hereof shall not be applied with payment transactions upon initiative of the beneficiary, if the provider of payment services of the beneficiary has failed to perform its obligation to deliver duly and timely the payment order to the provider of payment services of the payer.
- 14.11 If an erroneously executed payment transaction has been executed erroneously upon initiative of the Client (whether as the payer or the beneficiary), the Bank shall upon the Client's request exert every effort, as may be reasonably requested, to settle the payment transaction, and shall inform the Client of the result. If the payment transaction involved erroneously provided unique identifier of the beneficiary of the payment, the Bank shall exert every effort, as may be reasonably requested, that the sum of the erroneously executed payment transaction be refunded to the Client, if having acted as the payer. For refund of the sum of the erroneously executed payment transaction in accordance with this section, the Bank is authorised to request payment in accordance with the Price List.
- 14.12 The Client shall without unreasonable delay as of the day of identifying an unauthorised or an erroneously executed payment transaction, however, at latest within 13 months as of the day of debiting the funds from the Account or crediting the funds to the Account, notify the Bank thereof, whereby the Client shall be entitled to redress in accordance with this Article 14. Part A hereof. Upon expiry of the term specified in the previous sentence, the Bank's liability for an unauthorised or an erroneously executed payment transaction terminates.
- 14.13 The Client as the payer is entitled to submit an application for refund of the sum of the authorised payment transaction executed against an Order presented by the beneficiary or via the beneficiary within a period of 8 weeks as of the day of debiting the funds from the Account, if (a) at the time of authorisation, no specific payment transaction sum has been specified and (b) the payment transaction sum exceeds the sum, which the Client as the payer could reasonably expect with regard to their regular previous expenses, the terms specified in the Frame Contract and the circumstances related to the payment transaction. Nevertheless, the Client is not entitled to request refund of the authorised payment transaction sum in case the Client has given the consent to the payment transaction directly to the Bank and the information of the precise payment transaction sum has been provided or disclosed to the Client by the Bank or the beneficiary of the payment at latest 4 weeks before the Order execution. Apart from the application in accordance with this section hereof, the Client shall provide the Bank with information and documents attesting the fact that the terms for refund of the payment transaction sum in accordance with this section have been met, as well as the reason for the precise sum of the payment transaction. If the Client fails to discharge this obligation, the statutory period of 10 Business Days for refund of payment transaction sum shall not start to run for the Bank. If the terms of claim of the Client are met, the Bank shall within 10 Business Days as of receipt of

the application in accordance with this section hereof refund the entire payment transaction sum, or provide the Client with the reason for refusal to refund the sum, and specify the method of out-of-court and arbitration settlement of disputes and the option to lodge a complaint with the competent regulator.

- 14.14 For purposes of section 14.13 Part A hereof, any sum that is lower than or the same as the limit as set forth for these payment transactions in the Contract is not deemed a payment transaction sum, which exceeds the sum, which the Client could as the payer reasonably expect with regard to their regular previous expenses, the terms specified in the Frame Contract, and the circumstances related to the payment transaction, whereas the Client may not challenge any unexpected change in the exchange rate.
- 14.15 If the Bank acts as the provider of payment services of the Client as the beneficiary in the event of refund of the sum of payment transaction executed upon initiative of the beneficiary, the Client expressly gives the Bank their consent to debit from any Client's Account the funds for the purpose of refund of the sum of authorised payment transaction executed upon initiative of the beneficiary, which the payer requests to be refunded in accordance with the relevant legal regulations.
- 14.16 The Bank is not liable to the Client for an erroneously executed payment transaction and for an unauthorised payment transaction, including potential failure to perform within the deadlines for the payment transaction execution, if the obligation of the Bank could not have been discharged for a circumstance that is irregular, unpredictable, independent on the will of the Bank and the consequences of which the Bank could not have prevented.

## **15. SET OFF**

- 15.1 The Client is not authorised to unilaterally setoff any due or undue claims in relation to the Bank, unless expressly agreed in writing.
- 15.2 The Bank and the Client have agreed that the Bank may at any time unilaterally setoff any claims (and that both the due and the undue ones, or already current, conditional, or future, regardless the fact whether the Bank has already asserted any claim in relation thereto, regardless the place of performance, specified branch or currency of the claim) against any claims of the Client with respect to the Bank (regardless the fact whether those are due, conditional, current, or future), including any claims of the Bank arising out of maintenance of the Client's Account with the Bank. The Client expressly agrees that the provision of Article 361 Commercial Code shall not apply to any contractual relationship between the Bank and the Client. Any claims expressed in a foreign currency shall be setoff under the relevant foreign exchange rate of the Bank applicable on the setoff day.
- 15.3 The Bank reserves the right to debit from any Client's Account the sum of notes, cheques, or similar payment instruments, which have been already credited to the Client's Account, or which the Bank has already discounted, if yet not paid. Unless the outstanding debit balance in the account is settled, the Bank retains its claim to the entire sum due in relation to the relevant payment instrument, and also to other related claims in relation to any person responsible under the particular payment instrument, regardless the fact whether those claims have arisen in relation to the payment instrument or for other legal reason.
- 15.4 The Bank shall inform the Client of setoff of claims in advance, if viable under the particular circumstances and/or provided such acting of the Bank would not deteriorate its position in potential recovery of its valid claims and infringe its rights related thereto.

## **16. ASSIGNMENT**

- 16.1 Unless agreed otherwise, the Client is not authorised to assign, nor transfer their rights and obligations arising out of the contractual relationship with the Bank, nor to dispose of them otherwise.
- 16.2 The Bank may at any time assign or transfer its rights and obligations arising out of the contractual relationship with the Client to other person, whereas the Bank shall inform the Client thereof without unreasonable delay.

## **17. INTEREST RATES, EXCHANGE RATES AND TAXATION**

- 17.1 The Bank charges the balance of funds in the account by an Interest Rate in accordance with the Notice, which is by rule available at the Business Premises of the Bank and on its Home Web Site, or in accordance with the Interest Rate agreed between the Bank and the Client individually. Unless specified otherwise, if the Bank converts currencies in payment transactions, it shall use therefor the currently applicable foreign exchange rate quoted by the Bank in the Table of the Exchange Rates normally available at the Business Premises of the Bank and on its Home Web Site.
- 17.2 The Bank is at any time authorised to change Interest Rates, as well as the foreign exchange rate, and shall publish such amendment to the Notice or Table of the Exchange Rates at its Business Premises and on its Home Web Site. Any change in Interest Rates or foreign exchange rates that is more favourable for the Client, may be applied also without any notice of the change.
- 17.3 The interest on the account balance is calculated as of the day (and including) of crediting funds to the Account as of the day preceding the day of their transfer, or as of the Due Date, in case of Term Deposit. Unless specified otherwise in the Contract, the Bank shall calculate and credit the interest on the funds to the account against calculation model ACT/360 for Accounts and Term Deposits maintained in EUR and USD and CZK, and against calculation model ACT/365 for Accounts and Term Deposits maintained in GBP.
- 17.4 Unless agreed otherwise, the Bank shall pay the interest on a monthly basis. Unless agreed otherwise, the interest on funds in the relevant Account shall be due as on the last day of the relevant calendar month, and in case of a Term Deposit, as of the deposit Due Date.
- 17.5 The Interest is subject to taxation in accordance with the legal regulations applicable as on the day the Interest is credited to the Account. The Bank applies the taxation in a form of withholding tax in accordance with the relevant legislation.
- 17.6 If the account balance is negative, this unauthorised overdraft shall be charged by a penalty interest rate with unauthorised overdraft specified in the Notice.

## **18. FEES, CONSIDERATIONS AND EXPENSES**

- 18.1 Unless agreed otherwise, the Bank is authorised to charge the Client for fees and considerations (**Fees**) for the Banking Services the Bank provides and for any actions related to provision of Banking Services in accordance with the Price List applicable at the time of provision of Banking Services or performance of the charged actions. By rule, the Bank publishes its Price List at its Business Premises and on its Home Web Site. The Client may receive information on Fees also via telephone communication or directly from employees of the Bank or via other communication means specified herein.
- 18.2 Unless agreed otherwise, the Client shall pay the calculated Fees timely or maintain the required amount of funds in the account for the purpose of covering these Fees at the time of their due dates. Unless agreed otherwise, the Fees shall be paid as on the day specified in the Price List and if the Price List does not specify a precise date, then the last Business Day of the particular calendar month is deemed the due date.
- 18.3 The Bank is entitled not to execute any Banking Services or payment transactions related to Banking Services, if the relevant Fees have not been paid.
- 18.4 Unless agreed otherwise, Fees are charged monthly, whereas the Bank is for this purpose authorised to use the funds in the Client's Account for their setoff. Fees are calculated in the currency according to the provided Banking Service or product or in the Account currency, unless specified otherwise.
- 18.5 The Bank reserves the right to replace or amend the Price List at any time in accordance with Article 26 Part A hereof.
- 18.6 The Client bears any costs and expenses the Bank may incur in relation to provided Banking Services and related actions, or performance of its obligations arising out of the relevant legal standards. If the amount of those costs and expenses of the Bank may be estimated in advance, their value shall be specified in the Price List. The Bank shall at all times seek to minimise the incurred costs and expenses with the exception of the cases specified herein, the Frame Contract and the generally binding legal regulations or those agreed

on between the Bank and the Client. The Client shall reimburse the Bank for all costs and expenses incurred to the Bank (including any costs and expenses of legal assistance) in relation to any actions of the Bank taken with assertion of its rights in relation to the Contracts with the Client or with undertakings of the Client, whether with respect to any court or arbitration proceedings, or other actions.

- 18.7 The Bank is at own discretion authorised to waive any Fee partially or in entirety, whereas if the Bank waives any Fee in entirety or only partially, it reserves the right to start to charge that Fee in the future.

## **19. RULES OF COMPLAINT PROCEDURE OF THE BANK**

- 19.1 The Bank accepts complaints in writing. Any rights and obligations of the Bank and the Client with settlement of complaints, in particular, those related to the payment system, conform to the Rules of Complaint Procedure. The Rules of Complaint Procedure contains, inter alia, the procedures and deadlines for settlement of complaints and the information on the related costs. The Rules of Complaint Procedure are available at the Business Premises of the Bank and by rule also on the Home Web Site of the Bank.

## **20. CONTRACT TERMINATION**

- 20.1 Unless agreed otherwise between the Bank and the Client, or specified otherwise herein and in the Frame Contract, the Bank may at its own discretion terminate any individual transaction, or the entire relationship between the Client and the Bank, and that at any time and with immediate effect, for any reason, or even without providing any reason. Under the condition of giving a written notice thereof to the latter Party. The provisions of sections 10.10 and 10.11 Part A hereof are not affected thereby.
- 20.2 Regardless any different agreement between the Client and of the Bank, the Bank may immediately terminate its business relationship with the Client, in the event of:
- (a) gross violation of the Contract or these Terms and Conditions on the part the Client;
  - (b) provision of incorrect data, inaccurate declarations, failure to provide data, or other omissions on the part of the Client, or other way that would probably affect the decision of the Bank to enter into Contract with the Client;
  - (c) incapacity of the Client to provide the Bank upon its request with satisfactory evidence that no legal and criminal regulations with respect to the origin of the funds the Client uses in its transactions with the Bank have been violated;
  - (d) initiation of any proceedings with respect to the Client's estate in accordance with the Bankruptcy and Restructuring Act or any proceedings in accordance with the Rules of Execution Procedure;
  - (e) the Bank would with professional care surmise that the Client is no longer in capacity to perform their obligations arising out of the Contract or these Terms and Conditions.
- 20.3 Nevertheless, termination of the Contract or any business relationship between the Client and the Bank shall in no case affect any undertakings already existing at the time of termination. In such case, the Client shall reimburse the Bank for all outstanding sums in the Account, including any relevant interests, Fees and other amounts as of the termination of the Contract or business relationship and the Bank is entitled to close the Account. Once the Bank closes the Account, it shall transfer any credit balance to the Client, and that in any method it would consider appropriate. The Client shall reimburse the Bank for any costs incurred thereto in consequence of such termination. These Terms and Conditions shall remain in force until settlement of all existing claims and undertakings between the Client and the Bank.

## **21. SEVERABILITY**

- 21.1 The individual provisions of these Terms and Conditions, the Contracts, and every related document may be enforced independently of one another, and invalidity of any of them shall not affect the validity of the other provisions, with the exception of cases where it is apparent that for the reason of the important nature

or other circumstance related to the invalid provision, the provision cannot be severed from the other relevant provisions.

- 21.2 In the event any provision of the specified provisions would become invalid, whereas the invalidity would be caused by some part thereof, the provision will remain in force as if the part concerned has been omitted, and the Bank and the Client undertake to assure that all actions, required for the purpose of implementing any amendments to the provision concerned to render it valid and to adhere as closely as possible to the effects of the original wording of the provision concerned, be taken.

## **22. STATUTE OF LIMITATION**

- 22.1 The Client agrees to extend the period of limitation for all rights, to which the Bank is entitled in relation to the Contract, the Terms and Conditions, and the generally binding legal regulations by 10 years as of the moment the relevant right may be asserted for the first time within the meaning of Article 401 Commercial Code.

## **23. LANGUAGE OF DOCUMENTS**

- 23.1 These Terms and Conditions and the Contract are executed in the Slovak language. In the event other language mutation is executed (regardless the fact whether this would be signed or not), the Slovak language mutation shall hold precedence at all times in case of any contradiction between the wordings of individual language mutations.

## **24. JURISDICTION**

- 24.1 If the Client accepts the Bank's proposal to enter into an arbitration agreement, then any dispute, claim, or contradiction arisen out of these Terms and Conditions or the Contract, or in relation thereto (including any issues concerning their existence, validity, or termination) will be settled before the Permanent Court of Arbitration of the Slovak Banking Association according to its internal statutes. The place of arbitration procedure will be Bratislava and the language of arbitration procedure will be the Slovak language. This arbitration clause may be enforceable also severally.
- 24.2 If the Client does not accept the Bank's proposal to enter into an arbitration agreement and in view of the fact that the Bank is a branch of a foreign bank and thus the legal relationship between the Bank and the Client is a relationship including a foreign element, the Bank and the Client have within the meaning of Article 37e Act No. 97/1963 Coll. on International Private and Procedural Law as amended and Article 23 EC Regulation 44/2001 agreed that any dispute, claim, or contradiction arisen out of these Terms and Conditions or the Contract or the Frame Contract, or in relation thereto (including any issues concerning their existence, validity, or termination) will be settled before the competent court having local jurisdiction in view of the registered office of the Bank in Bratislava.

## **25. EURO AS NATIONAL CURRENCY**

- 25.1 The terms "Slovak currency", "Slovak money", "national currency", "national cash", "local cash", "Slovak koruna", abbreviation of the Slovak koruna "Sk" or the alphabetic code of the Slovak koruna "SKK" as used herein and/or in the relevant Contract and/or other relevant written instruments or documents mean as of the day of adoption of euro in the Slovak Republic also the valid euro banknotes and euro coins, the euro currency, the term "euro", the euro symbol and the alphabetic code of the euro currency "EUR", in the event a specific sum is specified, this shall be converted under the conversion rate.
- 25.2 The terms "other currency", "foreign currency", "foreign exchange - cash" or "foreign exchange - bank transfer" as used herein and/or in the relevant Contract and/or other relevant written instruments or documents mean before the day of adoption of euro in the Slovak Republic other currency than the Slovak currency, for the term of the dual cash circulation in the SR, other currency than euro or the Slovak

currency. As of the day of dual cash circulation termination, those mean any other currency than euro. In the event a specific sum is specified, this shall be converted under the conversion rate.

- 25.3 Following adoption of the euro currency as the only legal tender in a country, in the national currency of which the relevant Banking Service is provided, the Bank is as of the effective date of euro adoption in that country authorised to convert all those Banking Services maintained and provided in such national currency to the euro currency, as well as to take all related and necessary measures.

## **26. AMENDMENTS TO THE TERMS AND CONDITIONS**

- 26.1 The Bank is authorised to amend these Terms and Conditions, as well as the Price List, with reference to development of legal and business environment and with regard to its business policy, whereas it shall notify the Client in advance of every such amendment within a reasonable period. The amendment comes into force as of the moment of notice thereof to the Client. The Client is entitled to express their dissent to the amendment by a written notice addressed to the Bank within a period of 2 months as of the day of the notice of amendment hereto. Otherwise, these Terms and Conditions come into effect as on the day specified therein, if the Client (a) commits after the notice of amendments hereto any legal action in relation to the Bank, or (b) continues to receive the services provided by the Bank in a way that the circumstances of the particular situation apparently suggest that the Client still wishes to continue in the contractual relationship with the Bank.
- 26.2 The Bank shall inform the Client of any proposed amendments to the Terms and Conditions by rule in writing, for example by information provided in account statement, information letter, email or other appropriate instrument in a written communication and concurrently the Bank shall publish the amendment at its Business Premises and Home Web Site and specify the validity and effective date thereof, and that at latest 2 months before the effective date thereof.
- 26.3 If the Client expresses dissent to the proposed amendments to the Terms and Conditions in accordance with section 26.1, the Bank is entitled to terminate the Contract with the Client or continue in performance thereof under unamended Terms and Conditions.

## **27. REPEALING AND FINAL PROVISIONS**

- 27.1 These Terms and Conditions annul and replace the GENERAL TERMS AND CONDITIONS FOR NATURAL PERSONS effective as of 16 January 2010.
- 27.2 These Terms and Conditions come into effect on 31 December 2010.

## **B. CLIENT'S CURRENT ACCOUNT**

### **1. CURRENT ACCOUNT OPENING**

- 1.1 The Bank shall open Current Account to the Client against Contract on Current Account with the Client, whereunder the Bank shall open and maintain Current Account for the Client in the agreed currency and under the terms as set forth in these Terms and Conditions and the Contract on Current Account.
- 1.2 Every Current Account of the Client is assigned an Account number, which shall be used along with other required data when completing forms used by the Bank and the Client in their mutual communication. Account may be identified also by the Account name that shall contain the name and surname of the Client. The Account name may in addition contain other distinguishing criteria. The Bank does not open any anonymous Accounts. The Bank is authorised to change the Current Account number, whereas it shall notify the Client thereof in sufficient time, by rule thirty (30) days in advance.
- 1.3 The Client shall maintain in the Current Account sufficient funds to cover their expected payments and liabilities to the Bank.

### **2. CURRENT ACCOUNT CANCELLATION**

- 2.1 The Client may terminate the Contract with the Bank by a written notice. The Client shall not revoke or otherwise terminate the Contract on Account, if the relevant Account serves the payment purpose or as security of the Bank's claims arising out of business relationships between the Bank and the Client, and that until the relevant liabilities of the Client are settled. The Client shall not revoke or otherwise terminate the Contract on Account, if the account funds are blocked for the benefit of a third party, only should the third party give their written consent to such acting or upon expiry of the term agreed for release of the funds in the relevant Account.
- 2.2 The Bank is entitled to terminate the Contract on Account also without application of the Client therefor, and that without providing a reason. The Bank shall terminate the Account in a form of a written notice sent to the Client, and that under a minimum 2-month period of notice. If the Client commits gross violation of these Terms and Conditions or the Contract or the Bank has a justified suspicion that the Client has violated some legal regulation by their acting, the Bank is authorised to revoke the Contract with immediate effect.
- 2.3 In the event of the Contract validity termination, the Bank shall cancel the Current Account of the Client. The Bank shall in addition cancel the orders regarding disposal of funds in the account as of the Account cancellation date, unless the Bank and the Client agree otherwise. The Bank shall in addition cancel provision of the Banking Services related to the Account as of the Account cancellation date. The Bank by rule notifies the Client of the Account cancellation and the cancellation date; however, only in case the Bank cancels the Current Account of the Client within the meaning of section 2.2. above.
- 2.4 The Client shall notify the Bank of the method of disposal of the funds in their Account as of the Account cancellation date, otherwise the Bank is authorised to call upon the Client to send such instruction, and if the Client fails to provide the Bank with such instruction, the Bank is authorised to send the funds of the Client to their last known address by postal order.
- 2.5 The Client shall settle all liabilities to the Bank, including all related Fees the Client is due to pay in relation to the Account cancellation.

### **3. DISPOSAL OF THE ACCOUNT AND THE ACCOUNT FUNDS**

- 3.1 The Client is authorised to dispose of the Account and the funds in the account to the full extent in respect of the provisions of the Contract and these Terms and Conditions. Solely the Client is authorised to change any instructions, Data concerning the Account opening and maintenance, authorise Authorised Persons and annul those authorisations. Any other parties are authorised to dispose of the Account, only if authorised thereto in a form of power of attorney or authorisation to dispose or otherwise.

- 3.2 Unless the Bank or the Client specify otherwise, the Authorised Persons and Agents are authorised to dispose of the funds in the Client's Account independently.
- 3.3 The authorisation to dispose of the funds in the Client's Account via the Internet Banking Application conforms to the terms as set forth in Part F hereof.
- 3.4 The Bank is entitled to limit disposal of the funds in the Client's Account in accordance with any applicable legal regulations, the Contract or upon valid decision of the competent body.
- 3.5 The Bank is entitled to debit funds from the Client's Account also without their express consent for these reasons:
- (a) adjustments in accordance with Article 5. B hereof;
  - (b) reimbursement of Fees and costs related to provision of Banking Services to the Client within the meaning of the applicable Price List;
  - (c) due interest payment;
  - (d) relevant tax deductions under legal regulations;
  - (e) execution of enforceable decision rendered by a competent body;
  - (f) other reasons arising out of legal regulations or the Contracts;
  - (g) payment of any other due claims of the Bank from the Client in accordance with the provisions of Article 12., Part A hereof.

#### **4. STATEMENTS**

- 4.1 The Bank informs the Client of the account balance and other transactions executed in relation to the Account by statements in the method as agreed individually between the Bank and the Client. Statements may include also any pending transfers.
- 4.2 In the event the Bank may not for technical reasons include in the statement any transfers executed as at the end of the agreed period, it shall include every such transfer in the statement per the next period.
- 4.3 In the event the Bank and the Client agree on personal collection of statements, the Bank shall store the individual statements on behalf of the Client with the Bank and the Client shall ensure that those be collected within the agreed period. The Bank shall provide statements to the Client or other parties authorised therefor by the Client, at the Business Premises of the Bank, once it verifies the identity of any those parties. In the event the Client fails to collect statements, the Bank is upon expiry of the agreed term authorised to deliver them to the Client at their costs. The Bank is not liable for any damage and losses that shall arise or may arise to the Client with respect to the fact that the latter is not familiar with the account balance and credit and debit transactions on account of the fact the statements are stored with the Bank or on account of the fact they fail to collect them.
- 4.4 Any data related to an erroneous entry with respect to the Client's Account and subsequent adjustment on the same day shall not be provided in the Client's statement.
- 4.5 The Bank informs the Client of the account balance as of end of the calendar year and the Client shall confirm the account balance. In the event that within 2 months after end of the relevant calendar year, the Client does not confirm the account balance nor file any claim against the sum stated as the account balance as of end of the calendar year, it is assumed that the Client confirms and agrees the sum stated as the account balance as of end of the calendar year.

#### **5. REVERSAL**

- 5.1 Process of reversal in the event of execution of an unauthorised payment transaction from the Client's Account or in the event of erroneously executed payment transaction from the Client's Account is stated in Article 14. Part A of these Conditions. The bank is entitled to provide reversal in accordance to the provisions of Act on payment services and the Bank is entitled to deduct money from the Client's Account upon reversal even without the Client's payment order.

- 5.2 Without any delay, the Bank shall inform the Client about executed reversal or about return of the amount of payment.
- 5.3 For the purpose of reversal, the Bank is entitled not to execute the Client's orders until final execution of reversal.

**C. TERM DEPOSIT**

**1. TERM DEPOSIT OPENING AND TERMS OF MAINTENANCE**

- 1.1 Term Deposit means a special type of deposit account. The Bank opens one or several Term Deposits for the Client against a Contract on Term Deposit and receipt of additional documents, which it may consider necessary for deposit opening.
- 1.2 For purposes of Term Deposit opening:
- (a) **Opening Date** – means the day the Bank and the Client agree on the Terms of Deposit and enter into Contract on Term Deposit;
  - (b) **Term Start Date** - means the day agreed as the deposit term start day for individual deposit between the Bank and the Client;
  - (c) **Due Date** - means the day agreed as the due day for individual deposit between the Bank and the Client, whereas should that day fall upon other than Business Day, the next succeeding Business Day shall be deemed the Due Date ;
  - (d) **Early Withdrawal Date** - means the deposit withdrawal day prior to the deposit due day against notice of revocation given by the Client;
  - (e) **Terms of Deposit** – mean the Account maintained with the Bank or the Client's Account maintained with other Bank, the deposit principal and currency, Term Start Date, Due Date, Interest Rate p.a., or any other circumstances and particulars of deposit;
  - (f) **Quotation** - means binding proposal of Interest Rate p.a. for individual deposit for the Term of Deposit set out by the Bank per which the Bank shall upon receipt of the Client's proposal charge interests on the deposit;
  - (g) **Term of Deposit** - means the period starting as on the Deposit Term Start Date (inclusive) until the Deposit Due Date (exclusive), for the term of which the Bank has the deposit at its disposal and for which the Client is entitled to interests on deposit;
  - (h) **Client's Account maintained with other bank** - means current account of the Client specified by the Client and maintained with any other bank.
- 1.3 The minimum term of deposit is one (1) month, unless the Bank and the Client agree otherwise.
- 1.4 With deposit opening, the Client will request the Bank for Quotation applying to the principal and the Term of Deposit. The Client shall either accept or reject the Quotation without delay by telephone. In case of the Quotation acceptance, the Bank and the Client will subsequently agree on the other Terms of Deposit.
- 1.5 In the event the agreed Account is an Account of the Client maintained with the Bank, the Bank will debit the deposit principal from the account as on the Deposit Term Start Date. Otherwise, the Client shall as on the Deposit Term Start Date credit the deposit principal to the Bank in respect of the Bank's instructions.
- 1.6 The Bank charges interests on the deposit under the agreed Interest Rate and calculates the interests as of the Deposit Term Start Date. The Client is not entitled to any interests for the Deposit Due Date or Early Withdrawal Date.
- 1.7 The Client may revoke the Contract before the Due Date and dispose of the deposit, or a part thereof, only provided that a) the Bank receives a written notice of revocation from the Client at latest two (2) Business Days in advance. As on the Early Withdrawal Date, the Bank shall credit or send the deposit principal after deduction of costs to the Client's Account with the Bank.
- 1.8 As on the Deposit Due Date, the Bank shall credit or send the relevant principal together with the interest on the Client's Account with the Bank or to other Account in accordance with the Client's instructions, or the Bank and the Client shall agree on renewal of deposit under the terms as set forth in the Contract, whereas the Quotation shall conform to the applicable rates of the Bank quoted in the Notice. With deposit renewal, the Bank conforms to the rates of the Bank quoted in the Notice, unless the Bank and the Client agree otherwise.
- 1.9 The Bank shall pay interests only upon expiry of the Term of Deposit.

**D. STRUCTURED TERM DEPOSIT**

**1. STRUCTURED DEPOSIT OPENING AND MAINTENANCE**

- 1.1 Structured term deposit (**Structured Deposit**) is a special type of deposit account with deposit in an agreed amount for an agreed term and in an agreed currency without renewal under floating, precisely defined method of revenue determination.
- 1.2 An applicant applies with the Bank by proposal for Structured Deposit opening and maintenance. If the applicant meets all the terms of the Bank, the Bank shall accept the proposal and open one or several Structured Deposits for the Client in the agreed currency and for the Client's account against a special Contract on Structured Deposit and receipt of additional documents, which it may reasonably consider necessary for deposit opening.
- 1.3 For purposes of Structured Deposit opening:
- (a) **Opening Date** – means the day the Bank and the Client agree on the Terms and Conditions of Deposit and enter into Contract on Term Deposit,
  - (b) **Term Start Date** - means the day agreed as the deposit term start day for individual deposit between the Bank and the Client;
  - (c) **Due Date** - means the day agreed as the due day for individual Structured Deposit between the Bank and the Client;
  - (d) **Early Withdrawal Date** - means the Structured Deposit withdrawal day prior to the Structured Deposit Due Date against notice of revocation given by the Client;
  - (e) **Terms of Deposit** – mean specific terms of Structured Deposit opening and maintenance, including the Structured Deposit principal and currency, Term Start Date, Due Date, Interest Rate p.a., the revenue amount and method of determination, or any other circumstances and particulars of Structured Deposit;
  - (f) **Term of Structured Deposit** - means the period starting as on the Deposit Term Start Date (inclusive) until the Deposit Due Date (exclusive), for the term of which the Bank has the deposit at its disposal and for which the Client is entitled to the revenue in accordance with the contractual agreed terms of revenue determination;
  - (g) **Client's Account maintained with other bank** - means current account of the Client specified by the Client and maintained with any other bank;
  - (h) **Subscription Period** – means the period as set forth by the Bank and for the term of which the relevant Contract on Structured Deposit may be closed.
- 1.4 The Term of Structured Deposit is at all times set forth in the Contract on Structured Deposit, whereas in case of one Structured Deposit, also several partial Terms may be defined, whereas every Term may apply to other part of one Structured Deposit.
- 1.5 The Bank is authorised to determine the minimum amount of Structured Deposit, the currency of deposit, the total Term of Deposit, and or also other terms of Structured Deposit.
- 1.6 The Client shall credit the Structured Deposit principal to the Bank in a way the Bank receives the principal by the end of the Subscription Period; however, at latest as on the Structured Deposit Term Start Date, or in respect of the Bank's instructions.
- 1.7 The Bank charges the Client fees for Structured Deposit opening and maintenance in accordance with the applicable Price List and/or fees as set forth in the Contract on Structured Deposit (**admission fee**). The Bank is authorised to debit the admission fee from the Client's Account or the Client shall credit the admission fee together with the principal in respect of the Bank's instructions. No security, guarantee, or revenue with respect to the Structured Deposit apply to the fee.
- 1.8 In the event the Client does not transfer the total sum of Structured Deposit and the admission fee in the amount as specified in the Contract on Structured Deposit by the end of the Subscription Period, the Bank

is authorised to withdraw from the Contract on Structured Deposit, whereas it shall inform the Client thereof.

- 1.9 The Client is authorised to authorise other person to dispose of the Structured Deposit, and that only by written power of attorney authenticated by notary or an employee of the Bank. The Bank is authorised to require special power of attorney for early withdrawal of Structured Deposit.
- 1.10 The Bank reserves the right to refuse the proposal of the Contract on Structured Deposit Opening, and that also without providing a reason. There is no legal claim to provision of any product of the Bank.
- 1.11 The Client shall get familiarised with all information materials and exhibits to the Contract on Structured Deposit provided thereto by the Bank.
- 1.12 The Bank has informed and notified the Client of the facts in accordance with Article 37 par. 2 Banking Act, in particular, of considerations for Structured Deposit provision and maintenance and of the facts in accordance with Article 711 (information on conflict of interests), Article 73 to 73v (information on rules of conduct of the Bank) Securities Act and also of the risks related to Structured Deposit.
- 1.13 The Client expressly confirms to have been notified of all the risks of Structured Deposit, in particular, of the risk arising for the Client out of early withdrawal of Structured Deposit before its Due Date, as described in the Contract and in section 3.4 below.
- 1.14 In addition, the Client confirms (i) to have got duly familiarised before signing the Contract on Structured Deposit with the Bank's Best Execution Policy, to have understood it and agrees with it, (ii) that the Bank has duly informed them of the fact that for the purposes of Structured Deposit provision, they are considered non-professional clients in accordance with the Securities Act, and that (iii) the Bank has duly informed them of the fact that if the Client fails to provide it with the information required for assessment of the suitability of the relevant product for the Client in accordance with Article 73g Securities Act, this failure to perform shall not enable the Bank to form an opinion as to whether the particular product is suitable for the Client.

## **2. STRUCTURED DEPOSIT REVENUE**

- 2.1 The Client and the Bank shall agree on the method of revenue determination with the Structured Deposit opening, whereas part of the revenue from Structured Deposit may be determined under a fixed interest, which may apply to a part of the principal and to partial Term of Deposit. Revenue from Structured Deposit shall be calculated in the method as set forth in the Contract on Structured Deposit, including any exhibits thereto.
- 2.2 The Bank shall within the period as set forth in the Contract on Structured Deposit, by rule within 5 Business Days as of the Structured Deposit Due Date, credit or send the relevant principal along with the revenue to the Client's Account specified in the Contract on Structured Deposit or other Account in respect of the Client's instructions. The Client takes into account that the Bank shall pay the revenue to the Client after deducting the relevant taxes and fees within the meaning of the applicable legislation and these Terms and Conditions and the Contract.
- 2.3 The Bank shall provide the Client at all times with sufficient information as to the method of determination of revenue from Structured Deposit.
- 2.4 The Client takes into account that Structured Deposit is a special type of deposit and related revenue is not at all times guaranteed and at all times conforms to the applicable Contract on Structured Deposit, including all exhibits thereto.

## **3. EARLY TERMINATION OF STRUCTURED DEPOSIT**

- 3.1 Unless the Bank and the Client agree otherwise, the Client is authorised to revoke the Contract on Structured Deposit in writing, in a way the written notice of revocation be delivered to the Bank at latest five (5) Business Days before the end of the calendar quarter as of which the Client intends to revoke their

Structured Deposit. If the Client revokes the Contract later, the Bank shall terminate the Structured Deposit as of the end of the next calendar quarter.

- 3.2 The Bank shall provide the Client with the relevant form of application for early termination of Structured Deposit. The Client's signature on the form of application for early termination of Structured Deposit shall be authenticated with registry or notary or by an employee of the Bank.
- 3.3 The Bank shall credit or send the deposit principal after deducting the relevant taxes and costs to the Client's Account with the Bank.
- 3.4 In the event of early termination of Structured Deposit, the early termination shall reflect the current situation on the market, whereas precise terms of early termination of Structured Deposit may not be specified ahead. The Client takes into account that early termination of Structured Deposit may be quite unprofitable for the Client.
- 3.5 The Client is not authorised to execute any partial withdrawal from Structured Deposit, unless expressly agreed otherwise with the Bank.

**E. INVESTMENT SERVICES**

**1. PURCHASE AND SALES OF FUNDS**

- 1.1 This part hereof governs sales and purchase of Funds, and that collectively with the other provisions hereof. With respect to investment services provided to the Client, in case of any contradiction between the provisions of this Part and the other provisions hereof, the provisions of this Part hold precedence.
- 1.2 The Bank and the Client enter into a Brokerage Contract. The Bank shall procure for the Client purchase and sales of Funds against a Brokerage Contract, whereunder the Bank undertakes to open for the Client in own name and for the Client's account purchase or sales of Funds and the Client undertakes to pay consideration as set forth in the Brokerage Contract to the Bank. The Bank undertakes to procure purchase or sales of Funds in accordance with the Client's Instructions and under the terms as set forth herein and in the Brokerage Contract.
- 1.3 The Bank shall with procurement of purchase and sales of Funds exert professional care and act in respect of the Client's Instructions. The Client's Instructions are binding for the Bank for the entire term of their validity. The Bank shall proceed with qualification, fairly, justly and in the best interest of the Client and shall process the Client's Instructions in accordance with the Best Execution Policy to achieve the Best Possible Result for the Client. With execution of the Client's Instructions, the Bank shall proceed in accordance with the applicable legal regulations, in particular, in accordance with the Securities Act and related executing regulations implementing the requirements of Directive No. 2004/39/ES on Markets in Financial Instruments (**MiFID**).
- 1.4 In accordance with the MiFID, the Client is categorised as Non-Professional Client (Retail Client). The Client agrees that any documentation related to client categorisation in relation to the MiFID is available on the Home Web Site. The Client has concurrently declared to have got familiarised with the above specified documentation and understands it to the full extent thereof.
- 1.5 The Client is entitled to request change in categorisation. If the Client requests categorisation under the Professional Client category and provided the Bank agrees with the change according to the statutory terms, the Client shall not be subject to the protection in accordance with the relevant legal regulations and rules of the FSA applicable for Retail Client. If the Client does not request change in categorisation, the Bank shall proceed in relationship to the Client as the Retail Client.
- 1.6 The Client hereby expressly confirms that Bank may execute Client's Instruction over the regulated market or multilateral trade system, if appropriate to achieve the best possible result in the interest of Client.
- 1.7 If the Bank receives a limited Instruction of the Client to procure purchase or sales of Fund received for trading on a regulated market having registered office in a member state of the European Union, and if this Instruction comprises a limited price or volume, within which the Fund is to be purchased or sold and this Instruction would not be executed without delay in accordance with the prevailing market conditions, then the Client and the Bank have agreed that the Bank may not publish the limited Instruction of the Client.
- 1.8 The Client hereby confirms to have got familiarised with the Best Execution Policy to achieve the best result for the Client, understands it and agrees with it.
- 1.9 The Client is authorised to give Instructions to the Bank in person at the Business Premises of the Bank, via an authorised person executing investment services in accordance with Article 37 or Article 61 et seq. Securities Act provided the Bank has entered into a written contract with such authorised person.
- 1.10 The Client shall receive information on Fund purchase or sales directly from the issuer of the requested Fund, and therefore the Bank may not provide the Client with reports on procurement of Fund purchase or sales, nor provide the Client with a follow-up report after the procurement of Fund purchase or sales.
- 1.11 The Bank is not liable for any damage caused by the Client for non-performance of Fund purchase or sales and that for any reasons beyond the competence of the Bank, and, in particular, in cases, the transaction would not be performed for reasons of insufficient offer or demand, erroneously specified or unclear information or data in the Client's Instruction or failure to deliver the Client's Instruction.
- 1.12 The Client shall in case of violation of the undertakings arising thereto out of the Brokerage Contract compensate the Bank for any damage incurred thereto thereby.

- 1.13 In the event of Fund purchase, the Bank is authorised to request the Client to pay an advance payment for the purchase price in the amount of the expected volume of transaction, including the consideration for procurement of the Fund purchase. The Bank is authorised to precondition the effectiveness of the Instruction to receipt of the above specified advance payment from the Client to the collection account of the Bank. By rule, the list of collection accounts of the Bank is available at the Business Premises of the Bank. In the event the Instruction concerns a Fund that is denominated in other currency than the currency of the paid advance payment, the Bank shall be authorised to setoff the equivalent due sum in the relevant currency in accordance with the foreign currency sales rate of the Bank applicable as on the effective date of the Instruction, or as on the day following the effective date of the Instruction, against the funds of the Client deposited in the collection account of the Bank.
- 1.14 Consideration is due as on the day following the day of the relevant transaction execution. By signing the Brokerage Contract, the Client gives their consent that the Bank is authorised to use the funds in the Client's Account or Accounts maintained with the Bank for satisfaction of its due claims arising out of the Brokerage Contract. If those Accounts are maintained in other currency than the currency of the Fund involved in the Client's Instruction, the Bank is authorised to setoff the equivalent due sum in the relevant currency under the Bank's foreign currency sales rate applicable as on the due date against the funds in the Client's Account. The Bank is authorised to use also the funds credited to the Account after the due date of the claims out of the Brokerage Contract for the setoff.
- 1.15 Any default of the Client on payment of the due sum under the Brokerage Contract is deemed an event of gross violation of the Brokerage Contract and authorises the Bank to take any of the below actions:
- (a) For the term of the Client's default, the Bank is authorised to retain the corresponding sum of funds, or other assets of the Client (including the right to suspend disposal of the Funds subject to the purchase or sales under the Brokerage Contract), of which the Bank is authorised to dispose. The Bank shall inform the Client thereof without delay in the regular manner.
  - (b) For the term of the Client's default, the Bank may not receive, neither perform any other Client's Instructions or other own obligations under the Brokerage Contract. The Bank shall inform the Client thereof without delay in the regular manner.
- 1.16 The Bank shall proceed in respect of the Client's Instructions given in accordance with the Brokerage Contract and the Client is authorised to cancel the given Instruction within reasonable period in advance. Unless agreed otherwise for individual cases, the reasonable period refers to a situation when the Instruction is cancelled before the Bank starts to act in a way to discharge the Instruction. If the Bank has already started to act in a way to discharge the Instruction, the Client shall reimburse the Bank for all costs incurred thereto in relation thereto.
- 1.17 The Bank and the Client are authorised to revoke the Brokerage Contract, and that against a written revocation delivered to the latter Contracting Party under a one-month period of notice that starts to run as of the first day of the calendar month following the written notice delivery to the latter Contracting Party. The Brokerage Contract terminates upon expiry of the last calendar day of the period of notice. If the Brokerage Contract terminates against revocation on the part of the Client, the Bank is entitled to reimbursement of an adequate part of the consideration, as well as to reimbursement of any costs inevitably and efficiently incurred in relation to the performance of the subject matter of the Brokerage Contract. For this purpose, the Client shall reimburse the Bank for the adequate part of the consideration and the inevitably and efficiently incurred costs of the Bank at latest within five (5) Business Days following the delivery day of a written statement of cost of the Bank to the Client.
- 1.18 Any facts concerning procurement of purchase or sales of Funds, which are not expressly governed under these Terms and Conditions or the Brokerage Contract, conform to the relevant provisions of the Securities Act and the Commercial Code.
- 1.19 The Client takes into account that the historical data of performance of Funds do not guarantee the amount of future performance and that the Bank is not liable for investment decisions of the Client. The Client is aware of the fact that purchase of Funds does not constitute a bank deposit and does not conform to the relevant provisions of the Banking Act.

## F. DEFINITION OF TERMS

The terms in capital letters as used herein have the following meanings:

**Apostille** means certification within the meaning of the Hague Convention Abolishing the Requirement of Legalisation for Foreign Public Documents as of 5 October 1961, applicable in the Slovak Republic by Act No. 213/2002 Coll. of the National Council of the Slovak Republic.

**Bank** means HSBC Bank plc, having registered office at 8 Canada Square, London E14 5, United Kingdom of Great Britain and Northern Ireland, acting in the Slovak Republic via its structural unit HSBC Bank plc, pobočka zahraničnej banky having registered office at the Europeum Business Center, Suché mýto 1, 811 03 Bratislava, Slovak Republic, registered in the Companies Register of the District Court Bratislava 1, Section: Po, Insert No. 1258/B, Company Registration No.: 35 929 979.

**Banking Service** means any banking transaction, service, or product provided by the Bank in the Slovak Republic against single banking licence issued by the Financial Services Authority in the United Kingdom and provided in accordance with the Banking Act.

**Current Account** means an account opened for the purpose of receiving deposits and payments to the account, making payments and disbursements from the account and performing other standard banking transactions via the account.

**Home Web Site of the Bank** means the web site of the Bank accessible via Internet on this web address: <http://www.hsbc.sk>.

**Funds** mean the securities under collective investment issued by the parties that are members of the HSBC Group.

**FSA** means the Financial Services Authority, regulatory body of financial and investment services in the United Kingdom of Great Britain and Northern Ireland.

**HSBC Group** means all parties under direct or indirect control of HSBC Holdings plc, having registered office at Canada Square 8, London E14 5HQ, United Kingdom of Great Britain and Northern Ireland.

**IBAN (International Bank Account Number)** means the international bank account number enabling unique identification of the beneficiary and automated processing of payments within the member states of the European Union and the European Economic Area. It consists of the country code, check digit (precisely calculated under the defined algorithm from the bank code, sort code and account number), bank code, sort code and account number of the client.

**Identification Documents** mean:

(1) **Client – natural person** - valid identity card or passport issued by the competent state authorities of the Slovak Republic, in case of foreigners - valid passport or permanent residence permit issued by the competent state authorities of the Slovak Republic and/or other documents attesting identity of the Client; if the Client is a minor not disposing of the relevant identity card, the required document is presented by their legal representative;

(2) **Client – legal entity** – extract from the Companies Register or other official register or register as independent and credible source of information, in which the Client is registered; concurrently, the identity of the natural person authorised to act on behalf of the legal entity – Client is verified as set forth above in section (1).

**Client** means a natural person whom the Bank provides Banking Services with under contractual basis or a natural person having shown interest in Banking Services.

**Brokerage Contract** means a written contract whereunder the Bank undertakes to procure purchase or sales of Funds for the Client and for their account and the Client undertakes to pay a Fee for this procurement.

**Marketing Services** mean any services and activities aimed to inform the Client also by use of electronic devices and remote communication means, of the products and services of the Bank or any member of the HSBC Group.

**MiFID** means the Directive No. 2004/39/EC on Markets in Financial Instruments and all regulations implementing this Directive into the Slovak legal environment.

**Table of the Exchange Rates** means a document where the Bank publishes foreign exchange rates. The Bank is authorised to unilaterally amend this Table of the Exchange Rates, whereas it publishes the Table of the Exchange Rates at its Business Premises or on its Home Web Site.

**Transaction** means any creation, alteration, extinguishment of obligation relationships between the Bank and the Client and any other transactions, including disposal of the Client's deposit.

**Civil Code** means Act No. 40/1964 Coll. Civil Code as amended.

**Business Premises** of the Bank mean the premises of branches and other administrative premises of the Bank, at which, by rule, the Bank and the Client enter into legal relationships. **Business Premises are considered the place of performance.** All legal relationships between the Client or a third party and the Bank conform to the law valid at the place of performance, unless the Bank and the Client agree otherwise.

**Commercial Code** means Act No. 513/1991 Commercial Code as amended.

**Authorised person** means a natural person authorised to act on behalf of the Client in relation to the Bank, and that to the extent specified by the Client under power of attorney or Specimen Signature, legal regulation or decision of a competent body (as legal representative, guardian).

**Notice** means a document where the Bank publishes interest rates. The Bank is authorised to unilaterally amend this Notice, whereas it publishes the Notice at its Business Premises or on its Home Web Site.

**Terms and Conditions** mean these General Terms and Conditions for Natural Persons.

**Specimen Signature** means the Bank determined and approved form specifying the Authorised Persons and specimen signatures of those persons, or the scope of their authorisations. For purposes of the Client identification hereunder, also the Client's Specimen Signature is deemed a Specimen Signature.

**Instruction** means any instruction of the Client to procure purchase or sales of a Fund.

**Fees** mean fees, prices, penalties and other expenses charged by the Bank in relation to provision of Banking Services.

**Business Day** means every day other than a bank or a public holiday in accordance with the relevant act, when the Bank and other financial institutions, participating in provision of the relevant Banking Services, are open for provision of those Banking Services.

**Rules of Complaint Procedure** mean a set of procedures and rules whereunder the Bank settles client complaints regarding quality of the services provided by the Bank.

**Price List** means the Price List of the Bank containing the current amounts of fees, prices, penalties, and other rates charged by the Bank in relation to provision of Banking Services, and the interest rates applicable for Net Account Balance.

**Agent** means a natural person or a legal entity authorised by the Client, under power of attorney or other authorisation, to represent the Client in relation to the Bank in accordance with the terms of the power of attorney or other representation.

**Term Deposit** means a deposit account opened by the Bank for the Client in the agreed currency under a written Contract on Term Deposit.

**Banking Act** means Act No. 483/2001 Coll. on Banks and on Amendment and Supplement to Certain Acts as amended.

**Securities Act** means Act No. 566/2001 Coll. on Securities and Investment Services as amended.

**Anti-Money Laundering Act** means Act No. 297/2008 Coll. on Protection against Money Laundering and on Protection against Terrorism Financing and on Amendment and Supplement to Certain Acts as amended.

**Personal Data Protection Act** means Act No. 428/2002 Coll. on Personal Data Protection as amended.

**Payment Services Act** means Act No. 492 /2009 Coll. on Payment Services and on Amendment and Supplement to Certain Acts as amended

**Account** means Current Account and/or Term Deposit maintained with the Bank or any other account maintained with the Bank for the Client.

**Data** mean any information on the matters concerning the Client maintained by the Bank in its information system and obtained by the Bank in relation to provision of Banking Services, including any personal data of the Client within the meaning of the Personal Data Protection Act. The Bank shall classify and protect the Data against disclosure, misuse, damage, destruction, loss, or appropriation.

**Interest Rate** means any rate used for calculation of the interests to be paid by the Bank to the Client from the funds in the account; the Bank notifies of the current amount of an Interest Rate; for the purposes of performance of obligations under the Banking Act (Article 37 par.1), any change in the Interest Rate amount comes into effect as on the day of Notice, unless agreed otherwise. The Bank determines the amounts of Interest Rates concerning the transactions between the Bank and the Client in view of the situation on the financial market. Any change in Interest Rates does not require consent of the Client. The Bank shall publish any change in Interest Rates at its Business Premises and/or also on its Home Web Site or in other appropriate manner agreed in the Contract and shall specify the effective date thereof, whereas the Bank shall publish the information at latest as on the effective date of the change.

**Deposit Start Date** means the day corresponding by its designation to the day of crediting funds to a Term Deposit.

**Contract** means a Contract on Current Account and/or Contract on Term Deposit and/or any other Contract entered into by and between the Client and the Bank in relation to provision of Banking Services, including any schedules and addenda and novations thereto.

**Contract on Current Account** means a written contract whereunder the Bank undertakes to open and administer a Current Account maintained in a specific currency for the Client.

**Contract on Term Deposit** means a written contract whereunder the Bank undertakes to open and administer a Term Deposit maintained in a specific currency for the Client and pay to the Client the interests on deposited funds that the Client entrusts for temporary use to the Bank.

**These Terms and Conditions come into force and effect on 31 December 2010.**