

INSURANCE TERMS AND CONDITIONS FOR PAYMENT CARD MISUSE INSURANCE

as of 12 November 2012

Article 1 - Introductory provisions

1.1.

This private insurance, provided by Komerční pojišťovna, a. s., identification no. 63998017, with its registered office at Karolinská 1/650, 186 00 Prague 8 (hereinafter the "insurance company" or "insurer") is principally governed by Act No. 37/2004 Coll., on insurance contracts (hereinafter the "Insurance Contract Act"), these insurance terms and conditions and the Contract for the Collective Insurance of Business Cards No. 3290000000 (hereinafter the "Contract"), concluded between the insurance company and Komerční banka, a. s., identification no. 45317054, with its registered office at Na Příkopě 33/969, 114 07 Prague 1 (hereinafter "KB" or the "policy holder").

1.2.

This insurance, as well as the rights and obligations arising there from, are governed by the laws of the Czech Republic. Any legal disputes will be resolved by the courts of the Czech Republic.

1.3.

The language of communication is the Czech language.

1.4.

All amounts and payments relating to this insurance are shown and payable in the currency valid in the territory of the Czech Republic.

1.5.

This insurance is subject to the relevant provisions of Act No. 586/1992 Coll., on income tax, as amended.

1.6.

This is non-life insurance against loss and damage.

Article 2 - Definition of terms

The terms listed below are defined for the purposes of this insurance as follows:

- **holder** – a third person, other than the policy holder, the insurance company or the insured, who the insured has given the right to use the payment card;
- **financial loss** – withdrawals or payments made by the holder without authorisation or which he/she is unable to reconcile with the insured, and which were debited to the insured's KB account in the period 75 days prior to and 14 days after the payment card is stop listed;
- **payment card** – a credit payment card issued to the holder by KB in conjunction with the insured's KB account;
- **insurance contract** – the contract for financial services in which the insurance company undertakes to provide indemnity in the stipulated scope in the event of an insured event and the policy holder undertakes to pay the insurance company premiums;
- **insured event** – an unexpected event, as defined in Article 5 of these insurance terms and conditions, resulting in the insurance company's obligation to pay indemnity;
- **premium** – payment for the provision of insurance cover;
- **policy holder** – the person/party that concluded the insurance contract with the insurance company and is obliged to pay premiums; the policy holder in this case is KB;
- **insured person/party** – a legal entity or natural person – entrepreneur;
- **stop listing** – a block on the execution of all authorised card transactions by placing the payment card on a stop list; stop listing is irrevocable;
- **KB account** – a credit account in the name of the legal entity or natural person, managed by KB, with which the payment card was issued, intended for business purposes and to which executed card transactions will be charged;
- **card statement** – a KB bank account statement indicating the transaction date, relevant amount and information that the transaction was executed using a card.

Article 3 - Inclusion in insurance

3.1.

The policy holder may only include payment cards held by a third party and which were issued with the insured's KB account in this insurance.

3.2.

The policy holder must be able to provide the insurance company with written or other credible evidence of when the payment card was included in insurance, on request.

Article 4 - Effect of insurance, insurance period, insurance cover and insurance policy

4.1.

This insurance becomes effective on the first day following inclusion in insurance.

4.2.

Insurance is also effective for insured events that occur outside the territory of the Czech Republic.

4.3.

The insurance period is one calendar month.

Article 5 - Subject of insurance

5.1.

The subject of insurance is any financial loss incurred as a result of the holder using the payment card in contravention to the insured's instructions and this both deliberately or through negligence, whereby the holder is unable to duly reconcile the use of the payment card to the insured (hereinafter also "misuse of payment card").

5.2.

An insured event is understood to have occurred at the moment the payment card is stop listed by the insured upon learning that the payment card has been misused by the holder.

Article 6 - Indemnity and its limits

6.1.

The insured person/party is the beneficiary. Indemnity provided for all the insured events of one insured person/party in the course of one calendar year must not exceed individual indemnity limits for individual items of insurance as specified in Article 6.5.

6.2.

The insured will be liable for excess on this insurance in the amount of CZK 5,000 for each insured event.

6.3.

The insurance company will pay indemnity to an account designated by the insured.

6.4.

Indemnity paid by the insurance company is not subject to income tax (Section 4 (1) I of the Income Tax Act).

6.5.

Indemnity and its limits have been set as follows:

- a) CZK 50,000 per annum for 1 payment card;
- b) CZK 500,000 per annum for all payment cards issued to one insured person/party's account/s.

Article 7 - Exclusions from insurance

7.1.

This insurance does not cover damages incurred:

- a) as a result of the actions of a holder, who has a more than 5 % interest or shares in the insured (hereinafter also "partner"), who is a legal entity;
- b) as a result of the actions of natural persons who are statutory or supervisory bodies or members thereof (e.g. executives, members of the Board of Directors, etc.) of the insured (hereinafter also "members of management bodies"), who is a legal entity;
- c) as a result of the actions of holders, who are not in an employment relationship with the insured;
- d) later than 14 days after stop listing;
- e) more than 75 days prior to stop listing.

Article 8 - Termination of insurance

8.1.

Insurance for the misuse of payment cards included in insurance is terminated:

- a) on closure of the KB account to which card transactions were charged;
- b) on removal of the payment card from insurance based on notification sent to the insurer by the policy holder;
- c) by agreement between the policy holder and the insurance company;
- d) on refusal of indemnity;
- e) on the death of the insured, who is a natural person;
- f) on the liquidation of the insured, who is a legal entity;
- g) at the instant of a decision on the insured person/party's bankruptcy in insolvency proceedings;
- h) on the termination or revocation of the insured person/party's business licence.

8.2.

KB has the right to remove a payment card from insurance at the end of each calendar month.

Article 9 - Insured person/party's obligations

9.1.

The insured must establish internal regulations for the use of payment cards and charging card transactions in a manner that is binding for the holder.

9.2.

On finding that a payment card has been misused by the holder, the insured must immediately:

- a) stop list the payment card;
- b) inform the holder of the amount of damages;
- c) report the insured event to the insurance company.

9.3.

In case of an insured event, the insured must submit the following documents to the insurance company; the client must submit originals or certified copies:

- a) the card statement on which the fee for stop listing is charged;
- b) the card statement indicating the date of the transaction and amount misused using the payment card;
- c) the insured's internal regulations for the use of payment cards and charging card transactions, which are binding for the holder;
- d) the document authorising the holder to use the payment card – confirmation of receipt of the payment card;
- e) the contract showing the employment relationship between the insured and the holder;
- f) a statutory declaration that the holder is not a partner or member of the insured's management bodies, if the insured is a legal entity;
- g) other documents showing incurred damages, if such documents exist.

9.4.

The insured is further obliged:

- a) to cooperate in the settlement of claims and to provide the insurance company with all necessary data and information;
- b) to enable the insurance company to take all necessary steps to ascertain the cause of the insured event, the extent of damage and the amount of indemnity, and to provide the insurance company with all information and written documents;
- c) to notify the insurance company, without undue delay, that it has received compensation for incurred damages from another entity;
- d) to ensure the holder's right to compensation for damage due to an insured event, and its transfer to the insurer.

9.5.

The insured must prevent the occurrence of insured events, where possible, and above all, must not violate obligations aimed at the prevention or mitigation of risks imposed by valid legislation or which it accepted on concluding the insurance contract, nor may it tolerate a violation of these obligations by a third party.

9.6.

The beneficiary must submit the original, or a certified copy of the document proving that an insured event occurred. The insurance company has the right to make a photocopy of the submitted document. The responsible KB employee also has the right to verify that the photocopy corresponds to the original. If the relevant document is issued in a foreign language, the beneficiary must submit the document together with an official translation into Czech.

Article 10 - Processing the insured's personal data

10.1.

Processing personal data in connection with the insurance contract

10.1.1.

The insured's personal data (not including sensitive data) provided to the insurance company by the policy holder in relation to the inclusion of the payment card in insurance and the provision of indemnity as data required for the conclusion of the insurance contract and performance thereof, or which the insurance company obtained by other legal means or created by processing data obtained in this way, will be processed by the insurance company in accordance with Section 4 a) of Act No. 101/2000 Coll., on the protection of personal data (hereinafter "Personal Data Protection Act"), or by a processor entrusted by the insurance company in accordance with the Personal Data Protection Act, in order to use this personal data within the scope of the insurance company's business activities, i.e. activities directly or indirectly related to insurance or reinsurance.

10.1.2.

The insurance company is entitled to transfer the insured's personal data to other states, to the extent necessary, pursuant to Section 27 of the Personal Data Protection Act, for the purposes of reinsurance. The insurance company will process the insured's personal data in the manner and scope required by the insurance contract/insured's insurance, and this for the period necessary to secure all rights and obligations arising from this insurance obligation relationship.

10.1.3.

The insured takes note that the policy holder is entitled to provide information about the insured to the insurance company for the above purposes, including any necessary data on its bank transactions.

10.2.

The insurance company is entitled to process the insured's personal data to the given extent and for the given purposes, even without the express consent of these persons/parties.

10.3.

Consent to share data within the group

10.3.1.

The insured agrees that its personal data (to the maximum extent of: its name, surname, address, date of birth, birth certificate number, trade name, place of business/registered office, identification number, contact details, information characterising the insured's solvency and reliability) can be processed by the insurance company and any other Administrator, and may be mutually transferred between them, in order to improve the quality of care for the insured, to conduct Marketing Activities, to inform other Administrators of the insured's solvency and reliability and to analyse this data. The insured agrees that its personal data can be processed by the Administrator for the above purpose and to the extent specified above from the date this consent was granted until 4 years after the last contractual or other legal relationship with any of the Administrators has expired.

10.3.2.

The insured's consent pursuant to Article 10.3.1. of these insurance terms and conditions is only effective in relation to an insured who has concluded a contractual relationship or amendment to an existing contractual relationship with the insurance company, of which these insurance terms and conditions form an integral part, and only from the effective date of these insurance terms and conditions. For an insured who has already signed, refused to sign or withdrawn such consent, the legal regime of the consent granted, refused or withdrawn will be unaffected by a change in insurance terms and conditions.

10.3.3.

This consent to process personal data is voluntary and the insured is entitled to withdraw its consent at any time, in relation to any Administrator. Withdrawal of consent must be sent to the insurance company in writing. The provision of personal data is voluntary, unless stipulated otherwise by generally binding legislation.

10.4.

The insured must inform the insurance company of any changes in processed personal data without undue delay.

10.5.

Personal data about the insured is processed to the extent that it is provided by the insured in connection with (a) applications for a contractual or other legal relationship, (b) any contractual or other legal relationship between the insured and the Administrator, or (c) collected by the Administrator by other means and processed in accordance with valid legislation for the following purposes: (i) purposes included in the consent granted by the insured, (ii) the negotiation of contractual relationships, (iii) the performance of the contract, (iv) to protect the insured's key interests, (v) authorised publication of personal data, (vi) to protect the rights of the Administrator, recipient or other affected persons/parties, (vii) archiving in accordance with the law, (viii) to present offers of business or services, (ix) to transfer the insured's name, surname and address for the purpose of offering business and services in accordance with generally binding legislation.

10.6.

If the insured requests the insurance company in writing, it has the right, under valid legislation, to information about the personal data processed about it, the purpose and nature of processing this personal data, the recipients of this data and about Administrators. The insured is further entitled to request the insurance company to correct its personal data, if it finds that personal data processed by any one of the Administrators does not correspond to the facts. If the insured finds, or suspects that the Administrator is processing its personal data in contravention to the protection of the insured's personal and private life

or in violation of legislation, it is entitled to demand an explanation from the insurance company, or to demand that the insurer correct this defective situation. Regardless of the preceding provisions of this Article, the insured has the right to contact the Office for Personal Data Protection if the Administrator violates its obligations with a request to take remedial action.

10.7.

For the purposes of Article 10, it is understood that:

- Administrator - the insurance company, Société Générale SA, B 552 120 222, a company established and existing in accordance with French law, with its registered office at 29, Boulevard Haussmann, 75009 Paris (SG), FSKB members and entities controlled by SG and Investiční kapitálová společnost KB, a. s., identification no.: 60196769;
- Marketing Activities – activities whose purpose is to inform insured persons/parties about the Administrator's products and services, to present offers to order, to mediate or procure and evaluate relevant data for these purposes, including by e-mail;
- Members of the Bank's financial group (FSKB members) – in particular Komerční banka, a. s. identification no.: 45317054 (Bank); Modrá pyramida stavební spořitelna, a. s., identification no.: 60192852; Penzijní fond Komerční banky, a. s., identification no.: 61860018; ESSOX s. r. o., identification no.: 26764652, and other entities in which the Bank has, or acquires an ownership interest consisting of a direct or indirect share in their registered capital;
- Entities controlled by SG – entities controlled by SG and which, at the same time, either (i) have or acquire an ownership interest in entities with their registered office in the Czech Republic consisting of a direct or indirect share in their registered capital, or (ii) have their registered office in the Czech Republic. If such an entity is a FSKB member, this entity is shown on the list of FSKB members.

Article 11 - Delivery

11.1.

The insured must inform the insurance company without undue delay of any change in its permanent residence or correspondence address.

11.2.

All communications, notices and requests relating to insurance must be made in writing, in the Czech language, and are effective on delivery to the relevant contractual party.

11.3.

The contractual parties must send written documents to the pre-agreed or last-known address of the relevant contractual party. The contractual parties must send written documents through a postal licence holder (hereinafter "post"). The insurance company may also deliver written documents intended for the policy holder, the insured or beneficiaries into their own hands in person, through an insurance company employee or other authorised person. The insured or the beneficiary may deliver written documents intended for the insurance company through any branch of KB. The day of delivery to the insurance company is the day of actual delivery of the written document/s to the insurance company's address.

11.4.

A written document sent to the addressee by the insurance company by standard post is considered delivered on the third day after being demonstrably sent to the addressee's correspondence address, even if the addressee does not know of its delivery.

11.5.

A written document sent to the addressee by the insurance company by registered mail is considered delivered, if not delivered in accordance with the following paragraphs, on the eighth day after being demonstrably sent.

11.6.

A written document sent to the addressee by the insurance company by registered mail with confirmation of delivery is considered delivered, if not delivered in accordance with the following paragraphs, on the day of receipt, which is shown on the confirmation of delivery.

11.7.

If the addressee refuses to accept delivery of the written document, the document will be considered delivered on the day the addressee refused to accept delivery.

11.8.

If the addressee is not present at the time of delivery and the written document sent by the insurance company by registered mail is deposited at the post office by the postal officer, the written document

is considered delivered on the last day of the deposit period, even if the addressee did not know it had been deposited. However, if the last day of this period falls on a Saturday, Sunday or bank holiday, the last day of this period will be the next working day.

11.9.

A written document sent by the insurance company by post is also considered delivered on the day the document is sent back to the insurance company as undeliverable for any other reasons.

Article 12 - Correspondence address, reporting insured events

All communications, notices and requests by the policy holder and the insured relating to insurance must be made in writing and in the Czech language, either in person at a branch of Komerční banka, a. s., or delivered to Komerční pojišťovna, a. s., Karolinská 1/650, 186 00 Prague 8.

Article 13 - Resolution of disputes

13.1.

In the event of any complaints/disputes, the client can contact Komerční pojišťovna, a. s., Client Service, Karolinská 1/650, 186 00 Prague 8, or if necessary, the Czech National Bank.

13.2.

The authority responsible for supervision of the insurance company's activities is the Czech National Bank with its registered office at Na Příkopě 28, 115 03 Prague 1.