



LOAN CONTRACT - TERMS & CONDITIONS

1 BASIC PROVISIONS

- 1.1** By entering into the Loan Contract, the Bank undertakes provide to the Client the Loan in accordance with the terms and conditions of the Loan Contract, and the Client undertakes to repay the Loan in accordance with the terms and conditions of the Loan Contract.
- 1.2** The Loan is a lump-sum loan. The Bank shall allow the funds to be drawn in the amount of the Loan, which may be disbursed to the Client only as a single payment. Funds which have been repaid in the scope of such lump-sum loan may not be disbursed again, unless expressly provided otherwise in the Loan Contract.
- 1.3** The amount of the Loan provided by the Bank to the Client is defined in the Loan Contract.
- 1.4** These Terms & Conditions are an integral part of the Loan Contract. The Client declares that he has familiarized himself with the Terms & Conditions and that he agrees to them. In the event of conflict between provisions, the provisions of the Loan Contract and these Terms & Conditions shall prevail, in the order indicated above. Citibank Terms and Conditions for Individuals shall not apply to the Loan Contract.
- 1.5** These Conditions are made in Czech and English language. In case of any discrepancy the Czech version shall prevail.

2 CONDITIONS PRECEDENT

- 2.1** The disbursement of the Loan is subject to fulfillment of the following conditions precedent, or any other conditions precedent defined in the Loan Contract:
 - 2.1.1** the Bank shall have received all the documents required by the Bank, to the satisfaction of the Bank both in formal and material respects;
 - 2.1.2** as at the effective date of the Loan Contract and the Disbursement Date relating to the respective Provision of Funds:
 - (a) all representations and warranties made by the Client in accordance with Article 11 hereof, as well as all representations and warranties made later in under the Loan Contract, if any, shall be true, and it shall be clear that they will remain true in the foreseeable period of time immediately following the Provision of Funds;
 - (b) no Default has occurred and cannot occur as a result of the Provision of Funds and
 - (c) the Bank shall have received such other statements, opinions, certificates, documents, and information with respect to the Provision of Funds as it may reasonably request.

3 DISBURSEMENT

- 3.1** The Bank shall have the right, at its sole discretion, to refuse to Provide the Funds, even in the case that the Client has fulfilled all the conditions defined above in Article 2.
- 3.2** If the Bank has not refused to Provide the Funds, the Client may draw such funds within three Business Days following the effective date of the Loan Contract; the Bank shall Provide the Funds by bank transfer to the Client's bank account specified in the Loan Contract.

4 REPAYMENT

- 4.1** Unless the Client and the Bank have agreed to defer the due date of installments, the Client shall repay the Loan installments in the amount specified by the Bank as at the Due Date(s) defined in the Loan Contract. If the Due Date(s) are not defined by the Bank at its own discretion, the Client shall have the right to choose the Due Date(s) at any time between the first and the twenty-eighth day of the respective calendar month, and thereby choose the amount of the moratorium (see Article 6.3 of the Terms and Conditions).
- 4.2** The first installment of the Loan shall be due as at the Due Date defined for the month following the month in which the Provision of Funds have been effected, if 30 or more than 30 days have passed between the Due Date and the date of the Provision of Funds. If fewer days have passed, the Due Date of the first Loan installment shall be the Due Date for the second month following the month in which the Provision of Funds have been effected.
- 4.3** All disbursed outstanding funds (including any Fees, fees defined in the Contract, Fees and interest) must be repaid by the Client by the final Due Date.
- 4.4** An installment of the Loan shall allow for and include the amount of disbursed funds, interest, moratory interest, insurance fee and any other fees specified in the Loan Contract or Fees defined in the Tariff. The installment amount the method of setting off an installment against the Funding Amount and relevant interest, fees defined in the Loan Contract or Fees shall be calculated on the principle of decreasing unpaid balance. An installment shall be set off against interest and fees first, and then against the principal of the Loan.
- 4.5** In the event that the amount paid by the Client to the Bank is not sufficient to cover all outstanding and due amounts under the Loan Contract, any such payment shall be set off against the respective claims of the Bank in the following order:
 - 4.5.1** payment of fees specified in the Loan Contract or Fees defined in the Tariff;
 - 4.5.2** payment of relevant interest on the Funding Amount including interest on late payment, if any;
 - 4.5.3** payment of installment account maintenance fees;
 - 4.5.4** payment of the Funding Amount;

4.5.5 payment of other amounts owed.

4.6 Unless agreed otherwise between the Bank and the Client, all excess payments made in repaying the Loan shall be returned by the Bank to the Client to the bank account which is specified in the Loan Contract with respect to the Provision of Funds, at its own discretion and without undue delay after the creation of any such excess payment or after the final Due Date of the Loan; this shall be without prejudice to the set-off provisions defined in this Article 4.6. In the event that the bank account which is specified in the Loan Contract with respect to the Provision of Funds is not available for the transfer of the excess payment and the Client fails to notify the Bank of another bank account available for the transfer of the excess payment, the Bank shall transfer the excess payment to the Bank's internal account and inform the Client about such transfer. Disbursement of the excess payment from the Bank's internal account shall be made at the Client's request in the manner agreed between the Bank and the Client at any time before the lapse of the statutory limitation period.

5 EARLY LOAN REPAYMENT

5.1 Voluntary early repayment: the Client shall have the right to repay all amounts owed under the Loan Contract if he notifies the Bank of his intention to do at least 30 days in advance.

5.2 Other cases of early repayment and termination of the Loan: if the Client is requested to pay to the Bank any amount defined in the provisions of Articles 8 and 9 below, the Client may send to the Bank an irrevocable notice of early repayment and termination of the Loan. By the fifth Business Day after the delivery of said notice:

5.2.1 the Client shall have performed all his obligations to the Bank under the Loan Contract and

5.2.2 the Loan shall be terminated as at the date of delivery of said notice.

6 INTEREST AND ANNUAL PERCENTAGE RATE

6.1 Interest rate

6.1.1 The Client shall pay to the Bank interest on the Funding Amount in the interest rate defined in the Loan Contract.

6.1.2 The amount of the agreed interest rate is specified in the Loan Contract.

6.2 Calculation of interest and Annual Percentage Rate

6.2.1 The amount of interest deductions shall be calculated from the Funding Amount, the selected Period and the applied interest rate specified in the Loan Contract.

6.2.2 The Funding Amount shall be the sum of the following:

(a) the amount of funds provided to the Client;

(b) the documentation preparation fee calculated from the amount specified above in Subsection (a) and the rate defined in the currently effective Tariff.

6.2.3 The Annual Percentage Rate shall be calculated in compliance with the Consumer Loan Act from the amount of funds provided to the Client, and it is defined in the Loan Contract.

6.2.4 The Bank shall Publish an example of the calculation of the Annual Percentage Rate and of monthly installments for the most frequent types of Loan.

6.3 Moratorium: if the Due Date(s) are not defined by the Bank at its own discretion, the Client shall have the right to choose the Due Date(s), and if the Disbursement Date precedes the Due Date of the first Loan installment chosen by the Client by more than 30 days, the Client shall be charged moratory interest for the period between the Due Date and the date preceding the Due Date of the first Loan installment by 30 days. The amount of the moratory interest shall be calculated from the Funding Amount. The calculated amount of the moratory interest shall be distributed to all installments on a pro-rata basis. The moratory interest is included in the Annual Percentage Rate defined in the Loan Contract.

6.4 Interest on late payment: if the Client fails to pay any amount due under the Loan Contract, he shall be obligated to pay interest on the amount with respect to which he is in default, from the Due Date of such amount until its full payment, in the amount of 10 % p.a. above the interest rate of the Loan defined in the Loan Contract.

7 PAYMENTS

7.1 All payments shall be made in the manner agreed in the Loan Contract. The Client is not required to have an Account with the Bank for the purposes of payments made by the Bank and/or the Client, unless provided otherwise in the Loan Contract.

7.2 Payment by account debiting or collection from account: If the Loan Contract provides that payments shall be made by debiting an Account with the Bank or by collection from an account with any other bank:

7.2.1 the Client undertakes to have an account with a bank and to refrain from closing such account with a bank or attempting to close such account without express consent of the Bank and appropriate amendment of the Loan Contract, if there are any performances due to be made to the Bank under the Loan Contract;

7.2.2 the Client undertakes to maintain the balance of the account at least in an amount sufficient to cover his obligations under the Loan Contract on the due date thereof at the latest, during the whole term of the Loan Contract.

- 7.2.3** The Client authorizes the Bank to debit the Account with any amounts due to the Bank on the respective due dates of such amounts, or to collect amounts owed from the Client's accounts with other banks. The fact that the Bank has not debited the Client's Account with an amount, or the fact that the Bank has not collected an amount relating to any sum the Amount had been debited with or collected, shall be without prejudice to any obligations of the Client.
- 7.3** Currency
- 7.3.1** Amounts to be paid in relation to costs, expenses, taxes or other similar purposes shall be payable in the same currency in which they have been created.
- 7.3.2** Any other payments to be made under the Loan Contract shall be payable in the currency of the Loan, unless provided otherwise in the Loan Contract or these Terms & Conditions.
- 7.4** Days which are not Business Days
- 7.4.1** In the event that any performance under the Loan Contract is due on a day which is not a Business Day, the due date shall be deemed to be the immediately following Business Day.
- 7.4.2** During the period of any extension of the Due Date for any payment of the Funding Amount under the Loan Contract, the interest on the Funding Amount shall be due in the rate effective as at the original due date.

8 INCREASE

Any payments made by the Client pursuant to the Loan Contract or the Financial Document must be made without any reductions or deductions by virtue of taxes or other similar payments, unless the Client is obliged by law to make such reduction or deduction. In the event that any amount is to be deducted or reduced in the manner described above, the Client shall pay to the Bank the amount which is necessary for the Bank to receive the performance in the full amount that would be paid to the Bank if said payment was not subject to the tax or other similar payment.

9 INCREASED COSTS

- 9.1** Exclusively of the provisions of the following Article 9.2, the Client shall pay to the Bank, at the Bank's request, any amount of costs (including interest rate) increased in relation to the conclusion or performance of the Loan Contract or to securing the funding of the Bank's obligations, created as a result of a change in the applicable legislation (including those relating to taxation, required reserves, liquidity, limitation and distribution of risk or any other measures relating to the regulation of the bank sector or currency) including impacts of such changes on the inter-bank market.
- 9.2** The previous Article 9.1 shall not be applied with respect to any increased costs:
- 9.2.1** compensated in accordance with the provisions of Article 8 or
- 9.2.2** relating to any change in tax rates encumbering the Bank's net income.

10 UNLAWFULNESS

In the event that it is or becomes unlawful within any jurisdiction for the Bank to perform any of its obligations under the Loan Contract or to fund any Loan under the Loan Contract, the Bank shall notify such circumstance to the Client and:

- (a) the Client shall immediately perform all his obligations to the Bank, where all undue obligations shall be deemed to have become due, and
- (b) the Loan shall be terminated.

11 REPRESENTATIONS AND WARRANTIES

- 11.1** Representations and warranties: the Client hereby makes representations and warranties to the Bank to the extent specified in this Article 11 or in the Loan Contract, as the case may be.
- 11.2** Status: the Client is an individual with unlimited legal competence.
- 11.3** Approvals and consents: the Client has been given all required approvals and consents necessary to enter into the Loan Contract and any Financial Document, to perform the obligations thereunder and to take all necessary or advisable measures to execute the matters anticipated by the Loan Contract and any Financial Document, and such approvals and consents will remain in full force and effect.
- 11.4** Legal bindingness: each Financial Document to which the Client is or will be a party shall establish, after being signed, a binding and enforceable obligation in compliance with the terms and conditions thereof.
- 11.5** Compliance with existing obligations: conclusion of any Financial Document and execution of any obligations or transactions anticipated therein is not and shall not be:
- 11.5.1** in contradiction to any legislation, regulating measure or individual legal act relating to the Applicant and/or the Co-Applicant, or
- 11.5.2** in conflict with any contract or any other document that is binding for the Applicant and/or the Co-Applicant.
- 11.6** No Default

- 11.6.1** There is no Event of Default which has not been fully remedied or that could arise in consequence of the provision of the Loan, and
- 11.6.2** there is no other circumstance that would create an Event of Default under any document which is binding for the Client or which could affect any considerable part of his assets to such extent that it could have a considerable adverse effect on the ability of the Client to perform his obligations under the Loan Contract.
- 11.7 Disputes**
The Applicant and/or the Co-Applicant is not a party to any lawsuit, arbitration or administrative proceeding which could have an adverse effect on the ability of the Client to perform his obligations under the Loan Contract, and to the best of his knowledge, there is no threat of any such lawsuit, administration or administrative proceeding.
- 11.8** Period of force of the representations and warranties
The representations and warranties specified in this Article 11:
- 11.8.1** are made as at the effective date of the Loan Contract and
- 11.8.2** they shall be deemed to have been made repeatedly on the date of any Disbursement Date with reference to the matters and circumstances existing at the relevant time.

12 OBLIGATIONS

12.1 Duration

Obligations specified in this Article 12 and any other obligations (if any) under the Loan Contract shall remain in force and effect from the effective date of the Loan Contract during the whole period for which any monetary performance defined in the Loan Contract is unpaid, or if the Loan is available.

- 12.2** Obligation to inform: The Client shall be obliged to inform the Bank of all material facts or circumstances which might have an adverse effect on his ability to pay to the Bank, in due and timely manner, any payments ensuing from the provided Loan.

12.3 Notification in the Event of Default

The Client shall notify to the Bank any Event of Default (and any measures to be taken in order to remedy such situation) without undue delay after the occurrence of such Default.

12.4 Permits

The Client shall provide the Bank, without delay and at the Bank's request, with authenticated copies of all permits required by any legislation or decision of a competent authority for the performance of obligations under any Financial Document for their force and enforceability.

- 12.5** Equal position: Unless the Client has been provided with a Loan which is fully covered by a Security, the Client shall be obliged to ensure that his obligations to the Bank under the Financial Documents are always (with the exception of cases when certain claims are preferred in accordance with mandatory provisions of the relevant legislation) satisfied in the same order as other unsecured obligations of the Client.

12.6 Obligations from the Loan Credit Insurance

The obligations specified below shall apply to cases when the Bank, as the policyholder, enters into an insurance contract with an insurance company (the insurer), under which the Client is the insured.

- 12.6.1** The Client shall pay monthly loan installments even in the case of an insurable event until the time when he receives a notification from the insurance company that he is entitled to payment of an insurance claim and that the insurance company pays the monthly loan installments on his behalf.
- 12.6.2** The Loan Credit Insurance is optional and is not a prerequisite for the conclusion of the Loan Contract. The Loan Credit Insurance may be terminated at the Client's request at any time during the repayment of the Loan, provided that the Client is not in arrears with premiums or other payments related to the insurance. The Client shall also have the right to terminate the Loan Credit Insurance during the first 30 days of the term of the insurance without encumbering himself with any additional costs. The Client shall notify his application for termination of the Loan Credit Insurance to the Bank by telephone via the CitiPhone information line.

13 EVENTS OF DEFAULT

Any event specified in this Article shall be deemed to be an Event of Default.

13.1 Late payment

The Client fails to make any financial performance required under the Financial Document or the Terms and Conditions in timely manner, at the specified place of performance or in the specified currency.

- 13.2** Default in other obligations: The Client fails to fulfill any obligation under the Financial Document (with the exception of those defined in Article 13.1).

- 13.3** Erroneous statement: Any representation or warranty made or repeated in any Financial Document or in connection thereof, or included in any document delivered by the Client according to the Financial Document or in connection thereof, is deemed to be incorrect in any respect at the time of making such representation or warranty, or at the time it is deemed to be effective, complete and true.

- 13.4** Insolvency
- 13.4.1** The Applicant and/or the Co-Applicant is insolvent in accordance with the relevant legislation or
- 13.4.2** the Applicant and/or the Co-Applicant has notified his intention to terminate the performance of all or some of his obligations or
- 13.4.3** the Applicant and/or the Co-Applicant has initiated negotiations with one or more creditors due to his financial difficulties in order to be able to defer the due date of any of his obligations.
- 13.5** **Bankruptcy proceedings**
- The Client or a third party has taken any measures aiming at bankruptcy or composition of the Applicant and/or the Co-Applicant, or any other circumstance has occurred that would have, according to the relevant legislation, a similar effect as any of the events specified in this provision, or any similar measure or event has occurred outside the jurisdiction of the Czech Republic.
- 13.6** **Unlawfulness**
- The performance of the Client's obligations under the Financial Document is or becomes unlawful.
- 13.7** **Significant adverse change**
- There is one or more circumstance that could, in the Bank's opinion, have a significant adverse effect on the financial situation or the ability of the Client to perform his obligations under the Financial Documents.
- 13.8** **Refusal of consent**
- If the Client unreasonably refuses to give his consent to the assumption of the Bank's obligations under the Loan Contract by a third party, or if he fails to give such consent within 30 days of the date on which he was invited by the Bank to do so.
- 14** **FEES**
- 14.1** The Client shall be obliged to pay to the Bank the fees specified in the Loan Contract or the Fees defined in the Tariff. Unless provided otherwise in the Loan Contract or the Tariff, all fees relating to the conclusion of the Loan Contract shall be due as at the first Disbursement Date.
- 14.2** All the fees specified in the provisions of this Article 14 shall be calculated with the respective value added tax and any other taxes which may be due in relation to said fees.
- 15** **COSTS**
- The Client shall be obliged to reimburse the Bank, at the Bank's request, for all costs and expenses (including costs of legal representation) incurred in relation to:
- 15.1** any change, waiver, approval or suspension of a claim (or a proposal for any such action) requested by the Client or on the Client's behalf, relating to the Financial Document or a document referred to in the Financial Document, and
- 15.2** any other circumstance (with the exception of matters of regular administrative character) relating to the Financial Document.
- 16** **REIMBURSEMENTS**
- 16.1** **Exchange rate risk**
- If the Bank receives any payment relating to the Client's obligations under the Financial Document or if any such obligation is settled, for any reason, in a currency other than the Contractual Currency:
- 16.1.1** the Client shall reimburse the Bank (it is a separate claim in this instance) to the extent of any property loss resulting from the conversion of the performance to a different currency;
- 16.1.2** if the performance received by the Bank after the conversion to the Contractual Currency at a regularly available market exchange rate, which is lower than the respective performance in the Contractual Currency, the Client shall pay to the Bank the amount which equals to the respective difference, and
- 16.1.3** the Client shall reimburse the Bank for any expenses or taxes relating to said conversion.
- 16.2** Damages: The Client shall reimburse the Bank for any losses (comprising the actual losses and lost profits) incurred as a result of:
- 16.2.1** the application of Article 5 hereof;
- 16.2.2** repayment of the principal or payment of any amount after the due date, made from any other source on any date other than the Due Date, or
- 16.2.3** the fact that the Provision of Funds could not be effected by the Bank (for reasons other than by fault of the Bank) after the conclusion of the Loan Contract.
- 17** **CHANGES IN PARTIES**
- 17.1** Changes on the part of the Client: The Client shall not have the right to assign, transfer, change or alienate any of his rights or obligations under the Loan Contract without previous written approval of the Bank.

17.2 Changes on the part of the Bank

17.2.1 The Bank shall have the right to assign or transfer any of its rights or obligations under the Loan Contract to a third party. By signing the Loan Contract, the Client gives his express consent to the assumption of obligations by a third party in the event:

(a) that the third party is a member of the Citigroup or

(b) of Default. In all other events, the Bank must acquire the Client's consent to the assumption of the Bank's obligations by a third party. Such consent shall not be unreasonably refused, withheld or delayed by the Client. In the event of unreasonable refusal of the consent or failure to give the consent within 30 days, this shall constitute an Event of Default.

17.2.2 Any assumption of obligations under the Loan Contract by a third party shall be effective only if such third party confirms to the Client that it is bound by the Loan Contract to the same extent as the Bank. If such assumption of obligations becomes effective, the Bank shall be relieved of its obligations under the Loan Contract to the extent of the assumption of such obligations by a third party.

17.2.3 Nothing in the Loan Contract shall limit the Bank to subcontract any of its obligations under the Loan Contract, as long as the Bank remains liable to the Client.

18 CONFIDENTIALITY OF INFORMATION

18.1 Keeping Confidential Information confidential

18.1.1 The Bank shall deal with the Confidential Information in accordance with the applicable laws and other legislation binding for the Bank, and as the manager of the Client's personal data, the Bank shall keep and process the Client's personal data in accordance with the Consent obtained from the Client. The Bank shall maintain the confidential nature of the Confidential Information, even after the termination of the contractual relationship between the Bank and the Client.

18.1.2 Furthermore, the Client agrees that the Bank verifies the data it obtains about the Client, in particular from courts, state administration bodies or the Client's employer, provided that the confidential nature of the Confidential Information is maintained.

19 COMMUNICATION

19.1 Persons authorized to communicate with the Bank

19.1.1 Prior to the conclusion of the Loan Contract and also at any time if requested by the Bank, the Client shall prove his identity. The Client shall prove his identity in the following manner:

(a) citizens of the Czech Republic: by a valid identification card or passport;

(b) foreign nationals: by a valid passport or by a permit of residency in the Czech Republic. The Bank shall have the right (not the obligation, however) to accept other documents proving the Client's identity as well. The Bank shall be also entitled, at its sole discretion, to require from the Client a second identification document. The Bank may make copies of the identification documents provided by the Client and to keep such copies as part of information about the Client.

19.1.2 Upon the conclusion of the relevant contractual relationship, the Client shall be obligated to notify the Bank of any information that would make him a person in special relationship to the Bank, as defined in the Act on Banks.

19.1.3 The Client shall notify the Bank without undue delay of any changes in the data provided to the Bank in relation to the conclusion of the Loan Contract, and provide the Bank with documents demonstrating such changes to sufficient extent, in the Bank's opinion, as well as other information as the Bank may reasonably request in this respect. The changes specified above shall become effective and binding for the Bank at the latest on the third Business Day following the day on which the respective notification is delivered to the Bank, irrespective of registration of any data in any public records, or of their other publishing. The Bank shall not be obliged to take into consideration any notifications of the Client that are not, in the Bank's opinion, accompanied with sufficiently evidential documents or information requested by the Bank. The Client shall not be liable for any losses incurred by the Bank or the Client as a result of failure to make a due and timely notification of said changes or failure to provide, in the Bank's opinion, sufficiently evidential documents or information requested by the Bank.

19.1.4 Unless the Bank specifies otherwise, each power of attorney or other authorization given by the Client to the Representative must be in writing, explicit and sufficiently specific. The Client's signature on a power of attorney or other authorization must be officially, or in other manner acceptable for the Bank, authenticated. The Bank shall have the right to require the Representative to prove his identity in the manner described above in Article 19.1.1.

19.1.5 The Client shall immediately inform the Bank in writing about any change, cancellation or termination of validity of any power of attorney or other authorization given by the Client to the Representative. The Client shall be obliged to demonstrate the changes in any authorization to represent by documents which are, in the Bank's opinion, sufficiently evidential for their credible demonstration. If the Client fails to do so, the Bank shall not be obligated to take any such changes in consideration. The effect and bindingness of said changes for the Bank and the Client's liability for losses shall be governed by the relevant provisions of Article 19.1.4 hereof.

19.2 Methods of communication between the Bank and the Client

19.2.1 Unless agreed otherwise, the Client shall communicate with the Bank in person or by telephone (CitiPhone service). In addition to the above methods, the Bank shall use regular mail for communication with the Client.

- 19.2.2** At the Bank's request, the Client shall confirm in writing the notifications made via CitiPhone service within three Business Days of the receipt of such request. If the Client fails to make such confirmation within the specified time limit, the Bank shall not be liable for any losses caused as a result of its measures taken by virtue of such unconfirmed notifications.
- 19.2.3** The Bank shall provide the Client with information by telephone only to the extent specified in the CitiPhone service information materials and in the manner defined therein. For the purpose of enabling telephone inquiries, the Bank may require the Client to use a password (T-PIN). The Client shall be obliged to keep the password secret. The Bank shall not be liable for any damage or losses caused as a result of abuse of the password.
- 19.2.4** The Client agrees that all communication between him and the Bank is recorded on a magnetic tape or optical disc or stored on other technical devices allowing its capturing, storage and reproduction. The Client also agrees that the Bank makes and files for its own purposes copies of all instruments, documents and other materials provided to the Bank by the Client. The Client agrees that the Bank is authorized to use such records and copies as evidence in the event of any dispute with the Client.
- 19.2.5** The Bank shall have the right, at its own discretion, to require copies of original documents provided by the Client to be authenticated. In the case of foreign documents provided to the Bank by the Client, the Bank reserves the right to require such documents to be authenticated, or super-legalized or certified with an "Apostille" under the terms of the 1961 Hague Convention Abolishing the Requirement of Legalization of Foreign Public Documents. The provisions of this Article shall also apply to signing powers of attorney, other authorizations and similar documents by the Client, the Representative or other persons authorized to communicate with the Bank.
- 19.2.6** If the Client provides the Bank with a document in any language other than the Czech language or the Slovak language, the Bank shall have the right to require the Client to provide the Bank with a Czech translation of such document made by a certified translator. In such case, the Bank shall exclusively use the respective Czech translation and it shall not be obliged to examine whether the translation corresponds to the original version or not.
- 19.3 Delivery**
- 19.3.1** The Bank shall deliver all notifications and documents addressed to the Client to the mailing address, e-mail address, fax number or telephone number obtained for these purposes from the Client. The mailing address to be used for the delivery of documents to the Client must be within the territory of the Czech Republic. The Client acknowledges that if notifications or documents are delivered by electronic mail, such notifications or documents may be abused by a third party, for which the Bank shall not be liable, provided that the abuse is not caused by the Bank's fault. The Client shall be obliged to inform the Bank without undue delay about any change in said data, and such changes shall take effect with respect to the Bank on the Business Day following the day on which the Bank receives the respective information from the Client.
- 19.3.2** The Client shall deliver all notifications and documents addressed to the Bank to the mailing address or fax number of the Bank's registered office, or via CitiPhone service.
- 19.3.3** Notifications and documents delivered to the Client's own hands shall be deemed to have been delivered on the moment when the Client receives the respective notification or document. In all other cases, the notifications and documents shall be deemed to have been delivered on the moment (i) when the Client refuses to take delivery of the respective mail or (ii) on the third day after the mail had been deposited at the post office in the municipality of the agreed mailing address, even if the Client was not aware of the respective mail or if he did not stay at the place of delivery.
- 19.3.4** The Bank shall have the right, at its discretion, to send all mails, including monies, addressed to the Client or persons specified by the Client in a manner that is customary in banking, insured or not insured, by regular or registered mail, with the value of the mail or without the value of the mail, unless instructed otherwise by the Client. The Client shall bear all risks of loss, damage or destruction of the mail during its transportation to the Client or other person to which such mail is transported as per the Client's instruction or in connection therewith.
- 19.3.5** The Client agrees that the Bank is not liable for any loss, damage, destruction or abuse of the mail during its transportation between individual Business Premises or between Business Premises and the registered office of the Bank, if the necessity of such transportation occurred in relation to the fact that (i) the Bank provides the Loan only in cooperation of individual Business Premises and Business Premises and the registered office of the Bank, or that (ii) the Client or any third party, under any legal relationship between the Client and the Bank, provided documents, monies, securities or any other performances they were obliged to make, at any place other than the place defined by such obligation.
- 19.4 Correction of errors in communication**
- 19.4.1** If the Bank discovers any error or mistake in any notification, statement or other document mailed by the Bank to the Client, the Bank shall notify the Client immediately.
- 19.4.2** Immediately after the receipt, the Client shall inspect and examine all notifications, statements, or other documents mailed by the Bank to the Client. Furthermore, the Client shall be obliged to make sure that all Instructions given by the Client or on his behalf are duly carried out by the Bank. If the Client discovers any error or mistake in the performance of any Instruction given to the Bank by the Client or on his behalf, the Client shall immediately notify the Bank.
- 19.4.3** In the event that the Bank discovers any error or mistake in any notification, statement or other document or during the performance of any Instruction given by the Client or on his behalf, or if the Client notifies the Bank of any such error or mistake, the Bank shall correct such error without undue delay.

19.4.4 Information contained in any notification, statement or other document mailed by the Bank to the Client shall be deemed to have been received, confirmed and approved by the Client if the Client fails to inform the Bank within 20 days of the delivery thereof that he does not agree to the content of such notification, statement or other document, unless agreed otherwise between the Client and the Bank and unless specified otherwise by the Bank.

20 SET-OFF

20.1 Set-off of claims

20.1.1 Unless expressly agreed otherwise, the Client shall not have the right to unilaterally set off his claims with the Bank against any claims of the Bank with the Client.

20.1.2 Without having to notify the Client in advance, the Bank shall have the right to unilaterally and at any time set off any of its claims with the Client (irrespective of whether they are due or not, future or current, conditional or unconditional, irrespective of their currency or the legal relationship under which they have been created, as well as irrespective of whether the Bank has raised any demand in relation to any such or not) against any claims of the Client with the Bank (irrespective of whether they are due or not, future or current, conditional or unconditional, irrespective of their currency or the legal relationship under which they have been created) including the claims of the Client ensuing from his accounts administered by the Bank.

20.1.3 In order to make the set-off according to Article 20.1.2 hereof, the Bank shall have the right to use any deposits (regular or special-purpose deposits, reserve fund, time deposits or deposits payable on demand, irrespective of whether they are due or not) deposited with the Bank at any time and any other amounts owed by the Bank at any time to the Client or his account. The Bank reserves the right the charge any of the Client's account administered by the Bank in particular amounts of bills, checks and similar instruments earlier credited to the Client's respective account or discounted, if such amounts are not paid in due and timely manner.

20.1.4 Claims in foreign currencies shall be set off at the exchange rate valid for the purchase of the respective foreign currency, as issued by the Bank as at the set-off date.

20.1.5 If possible under reasonable conditions, the Bank shall notify the Client in advance of the exercise of its right to set off the Bank's claims with the Client against the Client's claims with the Bank, provided that the Bank's rights are not harmed and the Bank's ability to exercise the right to set off is not endangered in doing so.

21 MISCELLANEOUS PROVISIONS

21.1 During the term of the Loan Contract, the Client shall be obliged to inform the Bank without delay of all circumstances and changes thereof which relate to the contractual relationships or which could have an impact on the contractual relationships with the Bank or of which it may be reasonable believed that the Bank should be informed about.

21.2 The shall also be obliged to cooperate with the Bank and to deliver to the Bank, at its request, all necessary documents requested by the Bank and to answer without delay all questions of the Bank relating to such circumstances or changes thereof.

21.3 In the interest of prevention of losses or their limitation to the lowest possible extent, the Client undertakes to inform the Bank if he is aware of the fact that he has not received written notifications in time.

21.4 The Client shall be liable for all losses incurred by the Bank or the Client as a result of the Client's failure to perform the obligations specified in the provisions of this Article.

22 LIMITATION OF ACTIONS

The Client hereby declares that he extends the limitation period with respect to all the rights of the Bank against the Client to 10 years (from the moment on which this period begins to run). This declaration also applies to the rights created as a result of notice given by the Bank. In order to exercise the rights of the Bank ensuing from the above declaration, the Client undertakes to provide, at the Bank's request, all respective statements and debt acknowledgements in writing in the future.

The rights of the Client against the Client shall be subject to limitation in time limits defined in the applicable legislation.

23 LANGUAGE

If any agreement or contract between the Bank and the Client is drawn up in Czech and other language or languages, the Czech version of the document shall prevail, unless provided otherwise in the respective document.

24 GOVERNING LAW

Unless agreed otherwise in writing between the Bank and the Client, all contractual relationships between them shall be governed by the laws of the Czech Republic, and said contractual relationships shall be subject to the provisions of the Commercial Code, unless the Commercial Code assigns the regulation of the respective relationship exclusively to the Civil Code without a possibility of the parties to change or exclude the application of such provisions of the Commercial Code.

25 INTERNATIONAL AGREEMENTS AND USAGES

Furthermore, all contractual relationships between the Client and the Bank shall be governed, to the extent which is not in conflict with the laws of the Czech Republic, by duly published international agreements usages relating to banking activities. In the event that any such international agreement or usage differs from any provision of the Terms and Conditions or any contract or agreement entered into between the Bank and the Client in relation to the respective Banking Product, or if such international agreement is in contradiction to said provisions, the provisions of the Terms and Conditions or the of contract or agreement entered into between the Bank and the Client shall prevail.

26 SETTLEMENT OF DISPUTES, LOCAL JURISDICTION

The Bank and the Client shall strive to settle all legal disputes arising from their legal relationships by negotiations conducted in good faith and they shall try to prevent court proceedings.

Unless agreed otherwise in writing with the Bank or unless the law defines an exclusive local jurisdiction, the following courts shall be competent to resolve business disputes resulting from the contractual relationships between the Bank and the Client: (i) the District Court of Prague 6 or its legal successor in the case of subject-matter jurisdiction of district courts, or (ii) the Municipal Court in Prague or its legal successor in the case of subject-matter jurisdiction of regional or municipal courts. This agreement concerning the local jurisdiction of courts shall apply to all Clients, irrespective of their nationality or permanent address.

Notwithstanding anything contained in the previous provisions, the Bank shall have the right, at its own discretion, to file a motion to commence proceedings, or an action, if the Bank is the plaintiff, not only with a court in the Czech Republic, but also with any foreign court which has local jurisdiction over then Client.

27 SEVERABILITY OF PROVISIONS

In the event that any provision of the Terms and Conditions or of any contract or agreement entered into between the Bank and the Client is or becomes invalid or unenforceable in any jurisdiction, this shall not affect (to the largest extent allowed by the legislation) the validity and enforceability of the remaining provisions of said documents in such jurisdiction, nor the validity and enforceability of said documents in any other jurisdictions.

In such cases, the parties undertake to replace the invalid or unenforceable provision with a valid and enforceable provision, which shall have, to the largest possible extent, the same and legally acceptable meaning and effect as the purpose of the provision to be replaced.

28 WARRANTY CLAIMS

All warranty claims of the Clients shall be dealt with by the Bank in accordance with the Warranty Guidelines Published by the Bank.

29 TERMS AND CONDITIONS OF PROVISION OF CITIPHONE SERVICES

By signing the Loan Contract, the Client accepts these terms and conditions for the use of CitiPhone services and becomes bound by them.

29.1 T-PIN

Upon the Client's authorized access to the CitiPhone service and the verification of his identity, the Client will be asked by the Bank to select a T-PIN.

29.2 T-PIN Usage

29.2.1 The Client (not the Authorized Representative) is authorized to use the CitiPhone service in connection with the Loan by entering his T-PIN. CitiPhone is only available in telephone sets with tone dialing.

29.2.2 All Service Instructions identified with the Client's T-PIN are deemed to have been submitted by the Client and are final and binding for him. The Client hereby authorizes the Bank to follow such Service Instructions identified with the Client's T-PIN.

29.2.3 All steps taken by the Bank on the basis of the Service Instructions identified with the Client's T-PIN are final and binding for the Client (irrespective of whether or not the Client has issued such Service Instructions or whether or not such Service Instructions have been given with the Client's approval or authorization).

29.2.4 Without prejudice to any other provisions of these terms and conditions for the use of CitiPhone services, the Bank is authorized (however, not obliged) to allow the Client to use the CitiPhone service without entering a T-PIN, at its sole discretion, based on a verification of the Client's identity in the form of questions and answers, or in accordance with the Bank's currently valid prescribed procedures.

29.2.5 Without prejudice to any other provisions of these terms and conditions for the use of CitiPhone services, the Bank is authorized, at its sole discretion and without having to notify the Client, to refuse the execution of all or any of the Service Instructions. The Bank is also authorized, at its sole discretion, to request a written confirmation of the Client's Service Instructions (even if they are identified with the Client's T-PIN) and to refuse to execute such Service Instructions until the Bank receives a written confirmation thereof.

29.2.6 The Bank is authorized, at its sole discretion, to modify, deactivate or withdraw the Client's permission to use the T-PIN or CitiPhone service, at any time, without giving any reason thereof and without prior notification to the Client.

29.3 Disclosure of T-PIN to a Third Party

29.3.1 The Client is obliged to take all actions to ensure that his T-PIN is not disclosed to any person, and to take due care to prevent any falsification or fraud in connection with the use of his T-PIN and transactions executed via the CitiPhone service. If the Client's T-PIN is disclosed to a third person, the Client is obliged to inform the Bank in writing and to immediately stop using his T-PIN. The Client's duty not to disclose his T-PIN to any third party does not apply to the verification of Service Instructions by the employees of the CitiPhone service, in which case only a part of the Client's T-PIN is disclosed.

29.3.2 Until the Bank receives a written notification regarding the disclosure of the Client's T-PIN, the Client is fully responsible for the transactions executed with the use of the CitiPhone services and the Client is bound by such transactions even if they are executed without his approval or knowledge.

29.4 Recording of Service Instructions

The Bank is authorized (not obliged, however) to record in any manner all Service Instructions, at its sole discretion, and the Client hereby grants his consent that the Bank is entitled to use the recordings or any transcriptions thereof which the Bank has made for any reason for any purposes the Bank considers adequate, including the use thereof as evidence in proceedings against the Client or any other person.

29.5 Transaction Records

The Bank's records regarding the transactions associated with the usage and operation of the CitiPhone service are binding for the Client, for all purposes with the exception of apparent error; however, nothing prevents the Bank from correcting such errors, inaccuracies or omissions at any time.

29.6 Change of T-PIN

The Client is entitled to change his T-PIN at any time. The Bank is authorized, at its sole discretion, without giving any reason and without incurring any liability in this respect, to refuse the Client's choice of a new T-PIN. If the Bank approves the Client's new T-PIN, it becomes effective on the day on which the Bank receives the Client's instructions to change the T-PIN. The Client undertakes to take all actions to make sure that he does not choose a new T-PIN in the form of a number which may be easily detected or which may otherwise facilitate any fraud or falsification.

29.7 T-PIN Cancellation

The Client may cancel his T-PIN at any time, by submitting a notification to the Bank in writing or in any other form as we may determine. Such a notification takes effect on the date of its delivery to the Bank.

29.8 Powers of the Bank

29.8.1 Without prejudice to any other provisions of these terms and conditions for the use of CitiPhone services, the Bank is authorized, at its sole discretion and without having to notify the Client in advance and specify any reasons thereof, to modify, recall, restrict, suspend or cancel its services associated with the T-PIN or with the CitiPhone service. The Bank is authorized, at its sole discretion and without having to notify the Client in advance, to render such services via the CitiPhone service as it may consider convenient and adequate.

29.8.2 The Bank communicates with the Client in Czech or, if requested by the Client, in English. In the event of bilingual communication, the Czech version is binding.

29.8.3 All non-payment Instructions given to the Bank via the CitiPhone Service become effective and binding for the Bank at the latest as at the third Business Day following the day on which the respective Instruction is submitted to the Bank.

29.9 Limitations of Liability

29.9.1 The Bank is not liable for any losses, damages, costs or expenses incurred by the Client in connection with the Bank's proceeding under the Service Instructions identified with the Client's T-PIN or verified in accordance with Article 21.4 of the Terms and Conditions (irrespective of whether the Client has submitted such Service Instructions himself or whether they have been submitted with his consent or authorization or not). The Client also undertake to reimburse the Bank for any losses, damage, costs, expenses and charges (including costs of legal representation by an attorney, in full) incurred by the Bank in this respect.

29.9.2 The Bank bears not liability if it is unable to fulfill its obligations under these terms and conditions for the use of CitiPhone services as a direct or indirect consequence of malfunction of machines or a communication system, or in the event of industrial disputes, acts of war, force majeure or any other circumstances beyond the Bank's control.

29.9.3 The Bank reserves the right to appoint any agents, contractors or correspondents who the Bank will deem to be capable of performing or arranging for the matters or transactions specified or foreseen in these terms and conditions for the use of CitiPhone services.

29.10 General Provisions

If one or more provisions of the terms and conditions for the use of CitiPhone services, or any part thereof, is declared as unlawful, invalid or enforceable under the applicable legislation, this shall not affect the lawfulness, validity and enforceability of its remaining parts or other provisions of these terms and conditions for the use of CitiPhone services.

The remedies available under these terms and conditions for the use of CitiPhone services are cumulative and do not exclude remedies under the applicable legislation.

If the Bank does not use any of its rights, remedies or competences, or if the Bank is in delay of the use thereof, this shall not be deemed to constitute any waiver thereof. Analogously, any waiver of rights resulting from breach of these terms and conditions for the use of CitiPhone services made by the Client shall not be deemed to constitute any waiver of any future rights resulting from breach of the same or any other provision.

C. DEFINITION OF TERMS

Terms capitalized in the Terms and Conditions shall have the following meanings; if a capitalized term is not included in this Definition of Terms, the term shall have the meaning defined in Definition of Terms of the Terms and Conditions.

"Bank" means Citibank Europe plc, a company established and existing under the Irish law, with its registered office at 1 North Wall Quay, Dublin, Ireland, registered in the Register of Companies in the Republic of Ireland, under the number 132781, conducting its business in the Czech Republic through Citibank Europe plc, organizační složka, Evropská 178, 166 40 Praha 6, IČ: 28198131, registered in the Commercial Register with the Municipal Court in Prague, Section A, Insert 592288;

"Citigroup" means the company Citigroup Inc. or any entity directly or indirectly controlled by Citigroup, Inc. or any entity directly or indirectly controlling Citigroup Inc.;

"Funding Amount" means the amount calculated by the method specified in Article 6.2.2 of the Terms and Conditions;

"Disbursement Date" means the date on which the Bank Provides the Funds;

"Due Date" means the date by which the Client is obliged to pay to the Bank certain installment of the principal or interest;

"Confidential Information" means all and any information regarding the Client which the Bank obtains in negotiations concerning the contractual relationship between the Bank and the Client, including information forming the subject of legal protection pursuant to the Act on Protection of Personal Data (personal data) or forming the subject of a bank secret under Act on Banks, (in particular data relating to all banking transactions and monetary services, including account balances and deposits), as well as all and any information regarding the Client's economic and financial situation and activities obtained in connection with the identification or verification of the Client's creditworthiness; all such information is necessary;

"Financial Document" means the Contract, any document relating to the Security or surety, the conclusion of which represents a condition precedent under the Contract, or any other document so identified by the Bank and the Client;

"Instruction" means an order, direction or any other instruction;

"Client" means an individual who is not an entrepreneur (or an individual included in this category by the Bank), to whom the Bank provides Banking Products. In contractual agreements concerning the Loan, the term "Client" may be replaced with the terms "Applicant" or "Co-Applicant";

"Spouses" means the Client and his wife / her husband. If the Client is single or if the community property of spouses has not been settled, this term shall include the Client only;

"Period" means the period of time defined in the Loan Contract, for which the relevant Loan remains not repaid;

"Civil Procedure Code" means Act No. 99/1963 Coll., the Civil Procedure Code, as amended;

"Civil Code" means Act No. 40/1964 Coll., the Civil Code, as amended;

"Commercial Code" means Act No. 513/1991 Coll., the Commercial Code, as amended;

"Terms and Conditions" means the Terms and Conditions for Individuals issued by the Bank. The Terms and Conditions are available at all branches of the Bank, as well as on the website www.citibank.cz;

"Fees" means charges, commissions, expenses, as well as penalty and other fees defined in the Tariff effective at the time of the due date of such charges, commissions, expenses or penalty or other fees;

"Default" means any Event of Default or any other circumstance which may create an Event of Default;

"Business Day" means any day (with the exception of Saturdays and Sundays) on which banks in Prague are open for regular business;

"Business Hours" means the regular business hours determined by the Bank as those hours during which the Bank is open to serve customers;

"Business Premises" means the business premises of the Bank where are located publicly accessible premises within which the Bank offers or provides the Business Products;

"Event of Default" means any event so defined in the Terms and Conditions or in the contracts or agreements to which the Terms and Conditions apply, or any other breach of the Client's obligations to the Bank (irrespective of the reason of its creation or possibilities of its control by the Client or any other person);

"Annual Percentage Rate" means the annual percentage rate on a consumer loan defined in the Consumer Loan Act;

“Tariff” means the Tariff of Fees issued by Citibank Europe plc, organizational division, or any other document of the Bank containing in particular current amounts and rates of charges, commissions, expenses, as well as penalty and other fees, charged by the Bank to Clients in relation to the Banking Products;

“Service Instructions” means instructions given to the Bank via CitiPhone;

“Loan Contract” means the written contractual agreement between the Client and the Bank (whether in the form of a separate document or a part of other document by virtue of which the Bank provides the Client with other Banking Products), by virtue of which the Bank provides the Client with the Loan, which may in particular determine the intention of the loan, its amount or maximum amount, the amount of interest or the method of its determination and the method of interest bearing, the dates and methods of disbursement and repayment of the Loan;

“Contractual Currency” means the currency in which the performance under the relevant Financial Document is expressed and made;

“Consent” means your voluntary consent to the collection and processing of your personal data in accordance with the Act on Personal Data Protection, granted to the Bank for the purpose of rendering the Banking Products. Pursuant to the Consent, the Bank is also authorized to submit queries to the relevant credit registers for the purpose of verifying your creditworthiness and to inform you about the offered Banking Products via electronic communication means;

“Co-Applicant” means the person who applies at the Bank for the conclusion of the Loan Contract together with the Applicant;

“T-PIN” means the numerical personal identification code selected by the Client to access the CitiPhone service, by which the Client demonstrates the authorization to effect transactions via this service; it also includes access codes known as the Customer Identification Number (CIN) or the Telephone Personal Identification Number (T-PIN), as the case may be;

“Publish” means to make the relevant document or information available within publicly accessible premises of the Business Premises, in the Tariff or in the Bank’s website;

“Loan” means the loan provided by the Bank to the Client under the Loan Contract;

“Security” means any lien, retention, assignment or other security or any other arrangement having the effect of provided security;

“Act on Banks” means Act No. 21/1992 Coll., on Banks, as amended;

“Act on Personal Data Protection” means Act No. 101/2000 Coll., on Personal Data Protection and on Amendment of Certain Laws, as amended;

“Consumer Loan Act” means Act No. 321/2001 Coll., on Certain Conditions for the Conclusion of Consumer Loans, as amended;

“Provision of Funds” (also “Provide the Funds”, according to context) means to provision of funds by the Bank in the form of the Loan;

“Applicant” means the person who applies at the Bank for the conclusion of the Loan Contract.

