

GENERAL COMMERCIAL TERMS AND CONDITIONS FOR INVESTOR'S PARTICIPATION IN LOANS AND PROVISION OF PAYMENT SERVICES

1. Introductory provisions

- 1.1. These general commercial terms and conditions for investor's participation in loans and provision of payment services ("**GCTC**") form an integral part of the framework agreement on the investor's participation in the loans and provision of the payment services ("**Agreement**") entered into between the Investor and iService Czech Republic, s.r.o., with its registered office at Šmilovského 5/1264, Prague 2, Zip Code: 120 00, registered in the Commercial Register maintained with the Municipal Court in Prague under file No. C 219243 ("**iService**").
- 1.2. GCTC regulate in more detail the rights and obligations of the Investor and iService arising from the Agreement, under which iService undertakes to provide the Services to the Investor (as specified in Article 2. Of GCTC below) and the Investor undertakes to pay fees for the Services to iService according to the Tariffs forming an integral part of these GCTC.
- 1.3. For the purpose hereof the following terms have the meaning ascribed to them in Article 2. of GCTC.

2. Definitions

- 2.1. **Autoinvest** means the automated instrument provided by the Internet Portal allowing the Investor to automatically select the requests for loans placed by the individual Borrowers in the Internet-based auction of the loans according to the pre-selected parameters and without the need to select a particular request of a Borrower in each individual case;
- 2.2. **iService Bank Account** means a non-interest bearing bank account in the ownership of iService, used solely for ensuring the correct transfer of the funds among iService, Investor and Borrower and their clearing;
- 2.3. **Investor's Bank Account** means an individual bank account in the exclusive ownership of the Investor in Czech crown (CZK) by an entity eligible to provide the banking services in the territory of any of SEPA countries. The Investor will make the first payment from the Investor's Bank Account to the iService Bank Account for the purpose of performing proper identification of the Investor under the AML Act;
- 2.4. **ČNB** means the Česká národní banka (Czech National Bank), Company ID No.: 481364450, with its registered office at Na Příkopě 28, 115 03, Prague, which is the supervisory authority under the Act on Payment System;
- 2.5. **Borrower's Payment Crediting Date** means the day, on which the Borrower's payment is credited to the iService Bank Account in line with the Loan Agreement for the purpose of repaying the individual loan instalments with accessories;
- 2.6. **Borrower** means a natural person who obtained, as a result of the process of registration and verification, the status of the Borrower and with whom iService, based on the result of the Internet-Based Loan Auction, enters into the Loan Agreement, under which iService provides the Borrower with the Loan;
- 2.7. **Investor** means a natural or legal person who obtained, as a result of the process of registration and under the Agreement entered into with the iService, the status of an Investor and who is interested in acquiring Participation in the Loan and hence obtain, in the case of successful completion of the Internet-Based Loan Auction or Internet-Based Claims Auction the share in earnings and losses of a particular loan in the proportion of their financial investment to the total amount of the loan;
- 2.8. **Internet Portal** means the Internet Platform on the website www.zlutymeloun.cz, operated and administered by iService serving for operation of the Internet-Based Loan Auction, Internet-Based Claims Auction and for providing other services associated with its use. The terms and conditions for registration in and use of the Internet Portal of the individual users (i.e. Investors and Borrowers) are specified in the Terms and Conditions of

the Internet Portal, to which the users expressed their consent prior to registration;

- 2.9. **Internet-Based Loan Auction** means the automatic electronic tool operated on the Internet Portal for the purposes of matching the supply and demand for Participation of the individual Investors in the loans provided by iService to the individual Borrowers and demand of the individual Borrowers for loans under the conditions specified in the Terms and Conditions of the Internet Portal, Agreement and these GCTC;
- 2.10. **Internet-Based Claims Auction** means the automatic electronic tool operated on the Internet Portal for the purposes of matching the supply and demand for Participation of the individual Investors in the loans under the conditions specified in the Terms and Conditions of the Internet Portal, Agreement and these GCTC;
- 2.11. **iService** means iService Czech Republic, s.r.o., with its registered office at Šmilovského 5/1264, Prague 2, Company ID No.: 024 144 81, registered in the Commercial Register maintained with the Municipal Court in Prague under file No. C 219243, which operates the Internet Portal and provides the loans to the Borrowers based on the result of the Internet-Based Loans Auction;
- 2.12. **Civil Code** means Act No. 89/2012 Coll., the Civil Code, as amended;
- 2.13. **Payment Method** means the set of procedures agreed between iService and Investor, through which the Investor performs the Payment Order;
- 2.14. **Payment Order** means the instruction to perform the Payment Transaction;
- 2.15. **Payment Services** means the payment services under the provisions of Section 3 of the Act on Payment System, which lays in providing the Payment Transactions ensured by iService;
- 2.16. **Payment Transaction** means the transfer of the funds in the Settlement Account based on the Investor's Payment Order in line with the Agreement and GCTC;
- 2.17. **Share in Principal Instalments** means the funds allocated to a particular Investor corresponding to the amount of the Investor's Participation in Loan, which iService actually receives, identifies and records as the funds received for the purpose of paying the principal of a particular loan in the period from the moment of assuming the Investor's Participation in Loan to expiration of five (5) years from the maturity date of the last loan instalment under the Loan Agreement. iService makes no difference whether the funds for the payment of the principal of the loan will be paid by a particular Borrower, executor, liquidator or any other person authorized or required to pay for the Borrower's debt;
- 2.18. **Share in Interest Income** means the funds allocated to a particular Investor corresponding to the amount and conditions of the Investor's Participation in Loan, which iService actually receives, identifies and records as the funds received for the purpose of paying interest, default interest or contractual penalties related to a particular loan in the period from the moment of assuming the Investor's Participation in Loan to expiration of five (5) years from the maturity date of the last loan instalment under the Loan Agreement. iService makes no difference whether the funds for the payment of the interest of a particular loan will be paid by a particular Borrower, executor, liquidator or any other person authorized or required to pay for the Borrower's debt;
- 2.19. **Internet Portal Terms and Conditions** means the terms and conditions, under which the persons wishing to achieve the status of an Investor and Borrower register on the Internet Portal, and which regulate the rights and obligations of the Internet Portal users and iService;
- 2.20. **iService Working Hours** means the period specified on the website www.zlutymeloun.cz;
- 2.21. **Service** means the services provided by iService to the Investor under the Agreement and these GCTC, i.e. the Services relating to Investor's Participation in Loan, Payment Services and other services related to use of the Internet Portal;
- 2.22. **Services Related to Investor's Participation in Loan** means the services provided by iService to the

- Investor under the Agreement and these GCTC, which allow the Investor to assume the Participation in Loan and ensure administration in the Investor's Participation in Loan;
- 2.23. **Agreement** means the Framework Agreement on the Investor's Participation in Loans and Provision of Payment Services including GCTC entered into by and between iService and Investor through the Internet Portal;
- 2.24. **Claim Assignment Agreement** means the agreement entered into according to the result of Internet-Based Claims Auction between two Investors. The subject matter of the Agreement is assignment of the claim resulting from the Investor's Participation in the Loan from one Investor to another Investor;
- 2.25. **Loan Agreement** means the agreement entered into according to the result of the Internet-Based Loan Auction, under which iService provides the Borrower with funds having the agreed parameters (amount of the principal, interest, instalments). Under the Loan Agreement the Borrower undertakes to return the provided funds to iService and pay the agreed interest or any other payments in the case the Borrower becomes overdue with repayment of the loan;
- 2.26. **Party** is a party to the Agreement, i.e. the Investor and iService;
- 2.27. **Tariffs** means the list of tariffs forming an integral part of GCTC, which includes the amount of fees that the Investor is obligated to pay iService for the Services under the Agreement;
- 2.28. **Data Carrier** means any object enabling the Investor to keep information determined for the Investor so that it could be used for a period adequate purposes of the information and which allows the reproduction of the information in unaltered form (such as PDF documents to be sent to investors via Internet Portal);
- 2.29. **Participation in Loan** means the Investor's right to participate in the loan provided by iService to the Borrower under the Loan Agreement in the form of the Investor's financial investment in the amount at the discretion of the Investor and in the limits set by Internet-Based Loan Auction and thus acquire, in the case of successful completion of the Internet-Based Loan Auction, share in the earnings and losses of the loan in the form of share in the principal instalments, share in the interest income or settlement amount;
- 2.30. **Validation Code** means the code generated by the Internet Portal and sent to the User through the Internet Portal which serves for signing the agreements by the Investor and approving other facts on the Internet Portal;
- 2.31. **GCTC** means these General Commercial Terms and Conditions for Investor's Participation in Loans and Provision of Payment Services forming an integral part of the Agreement;
- 2.32. **Settlement Amount** is the amount of the funds, to which the Investor is entitled with regard to their Participation in Loan in the case the Participation is terminated in line with provisions of subpar. 7.3 GCTC. The Settlement Amount will be paid in the amount of the outstanding Share in Principal Instalment;
- 2.33. **Virtual Account** means a virtual account of the Investor on the Internet Portal, through which the Investor may participate in the Internet-Based Loans Auction and Internet-Based Claims Auction and to which only the registered Investor has access after entering the login name. The Investor and iService communicate through the Virtual Account;
- 2.34. **AML Act** means Act No. 253/2008 Coll., on selected measures against legitimisation of proceeds of crime and financing of terrorism as amended;
- 2.35. **Financial Arbiter Act** means Act No. 229/2002 Coll. on Financial Arbiter, as amended;
- 2.36. **Personal Data Protection Act** means Act No. 101/2000 Coll. on Personal Data Protection amending other acts, as amended;
- 2.37. **Payments Act** means Act No. 248/2009 Coll. on Payment System, as amended;

- 2.38. **Consumer Loan Act** means Act No. 257/2016 Coll. on Consumer Loan amending other acts, as amended;
- 2.39. **Settlement Account** means a non-interest bearing Investor's virtual bank account linked to the Bank account of iService established for submission of Payment Orders by the Investor for the purpose of making Payment Transactions on the Internet portal.

3. Pre-Agreement Rights and Obligations of Parties

- 3.1. The Investor acknowledges that a key condition for the conclusion of the Agreement is Investor's registration on the Internet Portal in agreement with the Internet Portal Terms and Conditions the Investor has carefully reviewed and accepted prior to the conclusion of the Agreement. Upon successful registration, the Investor's identity has been verified, the Virtual Account securing for the Investor access to the Internet-Based Loans Auction and Internet-Based Claims Auction has been created, and the Investor's Settlement Account for the purpose of making Payment Transactions according to Investor's Payment orders has been opened.
- 3.2. iService is obliged to provide to the Investor all pre-agreement information as required under the applicable legal regulations sufficiently in advance of the conclusion of the Agreement. The Investor represents that iService has provided to him/her such pre-agreement information via the Internet Portal on a Data Carrier, that such pre-agreement information are comprehensible to the Investor and that the Investor is aware of all risks associated with the acquisition of Participation in Loans provided by iService to Borrowers, in particular with the fact that any loan may be repaid only in part, or not at all.

4. Conclusion of the Agreement

- 4.1. Upon successful registration on the Internet Portal, iService will mail to the Investor personalized draft of the Agreement, including the GCTC via the Internet Portal or by e-mail. Investor will acknowledge their consent to the draft Agreement, including the GCTC, by entering in the required field the Validation Code that will be generated by the Internet Portal, or entering the authorization code sent by the Internet Portal as short text message. Upon confirmation of the Investor's acceptance and verification of the Investor's identity, the Agreement will become valid and effective and the Investor will become authorized to use the Internet Portal Services.
- 4.2. The Investor acknowledges that they do not have any right to modify and/or amend in any manner the draft Agreement.
- 4.3. Investor agrees that all and any communication between Investors and iService will be effected via the Internet Portal and e-mail, unless specified otherwise for certain cases in the GCTC. All and any acts performed via the Internet Portal or email shall be deemed performed in writing.

5. Acquiring Investor's Participation in Loan

- 5.1. By valid conclusion of the Agreement, the Investor has acquired active access in Internet-Based Loans Auctions and Internet-Based Claims Auctions as published on the Internet Portal in line with the Internet Portal Terms and Conditions. Duration of each individual auction is set by the Internet Portal, together with the minimum and maximum amounts of a loan that can be extended on a selected Borrower, and the minimum and maximum sizes of the Investors' participation in a loan and other restrictions, if any.

Internet-Based Loans Auction

- 5.2. The Investor is entitled to take part, in their own discretion, in any Internet-Based Loans Auction published on the Internet Portal, provided that a key condition of their participation is the transfer of funds from the Investor's

Bank Account to iService Bank Account at an amount corresponding to at least the size of the Participation in Loan offered by the Investor. Subsequently, iService shall credit such funds to the Settlement Account in agreement with Article 8 of the GCTC. Investor acknowledges and agrees that by participation in an Internet-Based Loans Auction, the Investor accepts the valid GCTC, including the Tariffs and Internet Portal Terms and Conditions.

- 5.3. If the Investor opts to invest their funds in any loan, or loans published in an Internet-Based Loans Auction, the Investor shall specify, via the Internet Portal, the size of their Participation in Loan and shall confirm the size by clicking the corresponding box. The size of any Participation, i.e. range, will be set for any particular Internet-Based Loans Auction, provided that the Investor, relying on their own judgement and evaluation of the information concerning Borrowers and their demand, should carefully consider the amount of funds they wish to invest so as to spread the risk of non-repayment of the loan appropriately among a number of Borrowers. Also, Investors shall set the interest rate individually according to the published information and demand for loans by individual Borrowers; the interest rate set for individual Borrowers by the Internet Portal is deemed the recommended rate, provided that the Internet Portal shall set also the limits for deviation from the recommended interest rate. Confirmation of Investor's Participation in Loans will be followed by blocking of funds held in the Investor's Settlement Account. While the relevant auction is in process, the Investor will not be allowed to make changes in the selected Borrowers or spread of their investment at the offered amount, or to withdraw their offer.
- 5.4. Blocking of the Investor's funds according to the above subpar. 5.3 will occur after clicking the box on the Internet Portal whereby the Investor confirms their Participation in Loan. Clicking on the appropriate box will trigger the generation of a conditional Payment Order for the execution of the Payment Transaction for the purpose of Participation in Loan.
- 5.5. If, by way of individual offers for Participation made by individual Investors in an Internet-Based Loans Auction, a sum is successfully secured as on the day of termination of the auction corresponding to the Borrower's demand at the minimum amount required by the Internet Portal, the auction will be considered successful and will be terminated regardless of the amount sought by the Borrower in terms of their demand.
- 5.6. If, by way of individual offers for Participation made by individual Investors in an Internet-Based Loans Auction, a sum is secured corresponding to the amount requested by the Borrower or the minimum amount set by the Internet Portal prior to official time of termination of the auction, the auction is successful and will terminate, in the Borrower's discretion, either by expiry of its officially set duration, or the Borrower may terminate the auction prematurely manually.
- 5.7. The resulting interest rate to be applied to the Borrower shall be determined as weighted average of the interest rates set by individual Investors participating in the loan through their Participations.
- 5.8. If, by way of individual offers for Participation made by individual Investors in an Internet-Based Loans Auction, a sum is not successfully secured as on the day of termination of the auction corresponding to the Borrower's demand at a minimum amount required by the Internet Portal, the auction will be considered unsuccessful. In such a case, offers for Investors' Participation will be automatically cancelled; the Investor's conditional Payment Order (Subpar.s 5.5 and 5.6 of the GCTC) will be also cancelled and iService will release the funds blocked in the Investor's Settlement Account.
- 5.9. Upon successful termination of an Internet-Based Loans Auction (subpar. 5.5 and 5.6 of the GCTC), iService will forward to the Borrower a draft Loan Agreement specifying the parameters of the loan and all other terms and conditions of the loan iService will extend on the Borrower if the draft Loan Agreement is accepted. Investor acknowledges that iService will not provide a loan to the Borrower if the latter fails to indicate its acceptance of the draft Loan Agreement during the required period of time after forwarding of the draft Loan Agreement. If the Borrower does not accept the draft loan agreement, iService will inform thereof the Investor and will release the funds blocked in the Investors Settlement Account. If the Borrower indicates their acceptance of the draft Loan Agreement, iService will inform thereof the Investor, whereby the Investor's conditional Payment Order will become unconditional; subsequently, iService will release fund in the amount of the Investor's Participation in

Loan and will transfer such amount from the Investor's Settlement Account to Borrower's bank account. Investor's Participation in Loan will become established at the moment when iService extends a loan on the Borrower under the Loan Agreement.

- 5.10. Investor acknowledges that by acquiring a Participation in Loan with respect to a loan iService will provide to a Borrower, the Investor does not acquire any direct claims against the Borrower and that only a relationship solely between iService and the Borrower has been established.
- 5.11. Investors are entitled to replace the selection of a loan in an Internet-Based Loans Auction for the purpose of acquisition of Participation in Loan with respect to a loan provided by iService to a Borrower with activation of the Autoinvest, an automatic tool provided by the Internet Portal. According to the Autoinvest setting as made by the Investor, Internet Portal will automatically select loans in which the Investor invests their funds. Investors are authorized to activate the Autoinvest tool and to set concrete parameters for the Autoinvest tool at the time of Investor's registration on the Internet Portal and establishment of the Investor's Virtual Account, or at any time thereafter during the term of the Agreement under which the Investor status has been granted. Investors have the right to modify the Autoinvest parameters or to deactivate this tool. Any changes in/modifications of the Autoinvest parameters will apply to Internet-Based Loans Auctions published after the time of the change in parameters. Investors acknowledge that the Internet Portal may refrain from selecting any loan despite the Autoinvest tool having been activated. The decision, whether the Internet Portal will or will not make a selection of loans on the basis of the pre-programmed Autoinvest tool will be made according to an internal algorithm programmed to ensure equally favourable treatment for all Investors. Selection of any loan made by the Autoinvest shall otherwise be deemed selection made by the Investor and shall be subject to all applicable provisions.

Internet-Based Claims Auction

- 5.12. Investor shall be entitled to participate in their own discretion in any Internet-Based Claims Auction published on the Internet Portal, provided that key conditions for participation in such auctions shall be:
- 5.12.1. where Investor wishing to become a creditor of an assigned claim (i.e. acquisition of a Participation of another Investor) is concerned, sufficient amount of funds in the Investor's Settlement Account at least at the amount of the consideration offered by the Investor for the assignment;
- 5.12.2. where Investor wishing to assign their claim (i.e. the Participation in Loan to other Investor), existing Participation in Loan of a Borrower established as a result of a successful Internet-Based Loans Auction and extension of a loan by iService to the Borrower;

The Investor acknowledges and agrees that by their participation in an Internet-Based Claims Auction, the Investor accepts the valid GCTC, including the Tariffs and Internet Portal Terms and Conditions.

- 5.13. Subject to the Internet Portal Terms and Conditions, any Investor is free to offer, independently and in their own discretion, their existing Participation in Loan (and/or the rights resulting therefrom) for assignment to another Investor (Investor's offer). For that purpose, Investors shall fill in a form on the Internet Portal wherein they will include, among other things, data concerning the Participation in Loan and the amount of consideration requested for the assignment. Duration of any Internet-Based Claims Auction is not set. Investor offering their Participation in Loan for assignment has the right to terminate the Internet-Based Claims Auction at any time until the requested amount of consideration is accepted by any of the Investors wishing to become creditors under the so offered Participation in Loan.
- 5.14. Under an Investor's offer made pursuant to the above subpar. 5.13, other Investors wishing to become creditors under the so offered Participation in Loan are entitled to submit during the relevant Internet-Based Claims Auction their offers for the conclusion of the Claims Assignment Agreement. In such offer, Investors will specify the amount of consideration proposed for the assignment and the period of time while their offers are open. If the subject matter of the Internet-Based Claims Auction is comprised of more than one, or all Investor's

claims, the bid submitted by the Investor wishing to become a creditor of all such claims must contain the aggregate amount of consideration for all so offered claims. Upon the submission of the bid by an Investor pursuant to the preceding sentence, funds corresponding to the amount of the consideration for the assignment offered by the bidding Investor will be blocked in the Investor's Settlement Account for the entire period while the bid is open. Investor is allowed either to change/modify or withdraw their bid during the entire period while the bid is open.

- 5.15. Upon confirmation by the Investor of its bid concerning the assignment of claim by clicking on the appropriate box, Funds in the Investor's Settlement Account referred to in the above subpar. 5.14 will be blocked. Clicking on the required box will initiate the generation of a conditional Investor's Payment Order to execute a Payment Transaction for the purpose of payment of the consideration for assignment of claim.
- 5.16. Investor having offered their claim for assignment is entitled to accept any offer made by an Investor wishing to become a creditor under so acquired claim. Upon the acceptance of an offer, the Internet-Based Claims Auction is deemed terminated and the Investor having offered their claim for assignment shall conclude the Claim Assignment Agreement with the Investor whose offer has been accepted within five days of termination of the auction.
- 5.17. If, at any time during the Internet-Based Claims Auction, any of the Investors offers a consideration for the assignment of a claim offered for assignment at an amount requested by the Investor assigning their claim according to Subpar. 5.13 of the GCTC, the auction will be deemed terminated and the Investor having offered their claim for assignment shall conclude the Claim Assignment Agreement with the Investor whose offer has been accepted within five days of termination of the auction.
- 5.18. Upon a successful termination of an auction pursuant to Subpar.s 5.16 and 5.17 of the GCTC, the Internet Portal will advise both Investors that the auction has been successfully terminated and that the claim (Participation in Loan) has been successfully assigned. Upon successful termination of the auction, the conditional Payment order referred to in Subpar. 5.14 of the GCTC will become unconditional and iService will release blocked funds corresponding to the amount of consideration for the assignment of a claim (Participation in Loan) and will transfer such funds from the assignee Investor's Settlement Account to the assignor Investor's Settlement Account.
- 5.19. Investor expressly represents that (i) they are aware that the Claim Assignment Agreement will be concluded in the Investor's name and on the Investor's account directly by iService according to the outcome of the Internet-Based Claims Auction and in conformance with these GCTC to which the Investor expressly consents; (ii) they have carefully reviewed the standard wording of the Claim Assignment Agreement and agrees that, in the case of successful termination of an Internet-Based Claims Auction as referred to in Subpar. 5.16 or subpar. 5.17 of the GCTC, iService is authorized to conclude, in the Investor's name and on the Investor's account, the Claim Assignment Agreement in that wording amended by exact specification of the assigned claim.
- 5.20. Investor having assigned their Participation in Loan to other Investor shall not be liable, as transferor, for the collectability of that Participation in Loan and the Investor to whom the Participation in Loan has been assigned acknowledges and accepts.

6. Acquisition of Share in Revenues from and Losses on Loans

- 6.1. Upon acquisition of a Participation in Loan, the Investor becomes entitled to receive a share in the revenues earned from, and losses incurred on loans pro rata to the Investor's participation in the loan. Investor acknowledges and agrees that upon acquisition of a Participation in Loan, the Investor accepts the risk that borrowers may repay their liabilities under loans only partly or not at all.
- 6.2. Investor becomes entitled to receive a share in revenues and losses by becoming entitled to receive:
- 6.2.1. a share in the repayment of the principal amount and Share in Interest Income, or

- 6.2.2. Settlement Amount, if any.
- 6.3. Upon crediting individual amounts paid in repayment of the loan and its accessories to iService Bank Account from a Borrower, iService is obliged to transfer to the Investor's Settlement Account, within one business day of the Date the Debtor's Payment is Credited, the Investor's Share in Principal Instalments and Share in Interest Income reduced by the fee payable for administration of the Investor's Participation in Loans as set out in the Tariffs. The Investor agrees that iService is entitled to deduct its fee for administration of the Participation in Loans automatically.
- 6.4. The Investor is entitled to apply funds credited to their bank account in any of the following manners:
- 6.4.1. to apply the funds in their Settlement Account towards participation in other Internet-Based Loans Auction or Internet-Based Claims Auction, or
- 6.4.2. to transfer the funds to the Investor's Bank Account, or
- 6.4.3. to leave those funds temporarily in the Settlement Account and subsequently use them in a manner specified in subpar. 6.4.1 or subpar. 6.4.2 of the GCTC
- 6.5. The Investor acknowledges and agrees that iService is entitled to set-off all and any payments received from Borrowers in the following order:
- 6.5.1. against any sanctions, being the fees and charges borrowers are required to pay to iService under the Loan Agreement in the case of default in the repayment of the loan (i.e. the costs of notices, contractual penalty);
- 6.5.2. against any reasonably incurred costs associated with prepayment of loans by Borrowers;
- 6.5.3. against conventional interest;
- 6.5.4. against the principal amount.
- 6.6. Investor acknowledges and agrees that should iService initiate recovery of payment of any outstanding amount owed by a Borrower through court action, iService will be entitled to set-off all and any received payments from the Borrower first against any reasonable costs associated with the payment enforcement procedure, namely for payment of court fees and attorney fees pursuant to Decree of the Ministry of Justice No. 177/1996 Coll., advocates' tariffs, as amended. After the set-off pursuant to the preceding sentence, iService will proceed in line with the above subpar. 6.5 of these GCTC.
- 6.7. iService shall inform the Investor about the procedure and actual status of payment of the loan repayment instalments and repayment of the entire loan, interest and other accessories through the Investor's Virtual Account.
- 6.8. Settlement of individual instalments paid in repayment of the loan and its accessories shall occur on the date when the loan is to be repaid in full according to the payment schedule. In the case of prepayment of the loan on a date other than the date of its repayment in full according to the repayment schedule, the Investor will be entitled to a pro rata Share in Interest Income also for the period remaining until the regular repayment date of its repayment in full.

7. Termination of Investor's Participation in Loan

- 7.1. Investor's Participation in Loan may terminate in any of the following manner:
- 7.1.1. receiving the Share in Principal Instalments and share in Interest Income in full (i.e. Borrower has discharged all their liabilities under the Loan Agreement as and when required); or nebo

7.1.2. receiving the Settlement Amount where Participation is terminated according to subpar. 7.3 of the GCTC below; or

7.1.3. by lapse of the period of five (5) years of the due date of the last loan instalment, or of the date on which the last loan instalment falls due.

Upon termination of Investor's Participation in Loan, all the Company's liabilities relating to this Participation in Loan and all the Investor's rights will cease to exist.

7.2. The Investor expressly agrees that once the time limits referred to in the preceding sentence lapse, iService will have no obligation to initiate any steps aimed at enforcement of the payment of any outstanding amounts by the Borrower. However, if iService receives any performance relating to the Participation after the lapse of the time limit specified in subpar. 7.1.3, iService will pay to the Investor a corresponding part of so received performance.

7.3. The Investor acknowledges and agrees that iService is authorized to terminate the Investor's participation in Loans at any time while any Participation in Loans is active. In such a case, the Investor will become entitled to receive the Settlement Amount. iService is required to inform Investors through the Internet Portal about any intended Termination of Participation not less than two (2) months prior to the envisaged Participation termination date. The Settlement Amount will be due and payable within thirty (30) days of termination of Participation in agreement with this Article of the GCTC.

8. Terms and Conditions of Establishment and Maintenance of the Settlement Account and Delivery of Payment services

8.1. Under the Agreement, iService shall establish for each Investor the Settlement Account through which iService allows the Investor to issue, via the Internet Portal, Payment Orders associated with Investor's Participation in Loans.

8.2. The Settlement Account does not bear any interest. iService will assign a payment identification code to each Settlement Account which will serve as unique identifier the Investor will be required to refer to in each Payment Order issued through the Settlement Account. Investor will be required to refer to this payment identification code also in the case of transfer of funds from the Investor's Bank Account to iService Bank Account. After crediting funds to the iService Bank Account, iService will identify the particular Investor by means of the payment identification code and will credit the funds to their Settlement Account.

8.3. Only Investors are entitled to dispose of the funds deposited in the Settlement Accounts up to the available amount in that account, unless set out otherwise in these GCTC. Investors do not have the right to pledge any funds deposited in the Settlement Account, nor otherwise encumber the Settlement Account.

8.4. Investors are entitled to dispose of funds held in the Settlement Accounts by way of issuing domestic single Payment Orders with actual/future settlement date through the Internet Portal. iService informs the Investors about the balance, turnovers, Payment Transactions in the Settlement Account and settled fees through the Internet Portal.

8.5. Investor acknowledges and agrees that iService is entitled to dispose of the funds held in the Settlement Account without the Investor's consent only in the following cases: (i) for the purpose of setting-off its receivables due from the Investor that have fallen due; (ii) for the purpose of deduction of any fees according to the Tariffs; or (iii) for the purpose of corrected settlement on the terms and conditions set out in applicable legal regulations, or (iv) under a final and enforceable decision of a competent court or public administration body.

8.6. Payments to be made by iService to Investor will be deemed duly made upon crediting the amount in question to the Settlement Account. Any payment to be made by Investor to iService will be deemed duly made upon debiting the Settlement Account with the amount in question.

- 8.7. Under the Agreement, iService will allow Investors to issue the following Payment Orders associated with acquisition of Participation in Loans and Participation in Loan itself:
- 8.7.1. issuing a conditional (with future settlement date) Payment Order by Investor to transfer funds from the Settlement Account to Borrower's bank account in the case of successful termination of an Internet-Based Loans Auction for the purpose of acquiring Participation in Loan, effective as at the moment of specifying the size of the Participation in Internet-Based Loans Auction (according to Subpar. 5.3 of the GCTC);
 - 8.7.2. issuing a conditional (with future settlement date) Payment Order by Investor to transfer funds from the Settlement Account to the Settlement Account of another Investor in the case of successful termination of an Internet-Based Claims Auction for the purpose of payment of the consideration for assignment of a Participation in Loan, effective as at the moment of specifying the amount of consideration in the Internet-Based Claims Auction (according to subpar. 5.13 of the GCTC);
 - 8.7.3. issuing the Investor's Payment Order to execute a Payment Transaction to transfer funds from the Settlement Account to the Investors' Bank Account.
- 8.8. Investors are allowed to issue, as payers in the sense of the Payments Act, only single Payment Orders through the Internet Portal. iService deems a Payment Order received upon its delivery via the Payment Portal; in the case of a conditional Payment Order that is to be executed only after the satisfaction of the conditions specified in the GCTC, such payment order will be deemed received upon the satisfaction of any particular condition precedent. The Investor acknowledges that after a Payment Order will have been deemed received, it cannot be withdrawn by the Investor. If the receipt of a Payment Order falls to a time outside the iService Working Hours or immediately before the end of the iService Working Hours (i.e. one hour before the end of the Service Hours), the Payment Order shall be deemed received on the beginning of the next iService Working Hours.
- 8.9. Investors issue payment Orders through the Internet Portal after due and proper login by means of the login name and password. Upon issuing a Payment Order, Investor will type the Validation Code in the appropriate box on the Internet Portal. By typing in the Validation Code, the Payment Transaction to be executes under the Payment Order will be authorized.
- 8.10. iService will be allowed to refuse the execution of a Payment Order only if any of the following situations occurs:
- 8.10.1. funds held in the Settlement Account are insufficient for the execution of the Payment Order;
 - 8.10.2. Investor failed to type in all the information/data required by the Internet Portal for the execution of the Payment Order, or the Payment Order has not been properly authorized;
 - 8.10.3. execution of the Payment Order would be contrary to obligations imposed on iService by binding legal regulations
 - 8.10.4. iService places a block on the Payment Method for reasons set out in the Payments Act.
- iService will advise Investors about the refusal to execute a Payment Order without undue delay via the Internet Portal.
- 8.11. Where iService transfers funds to Investor's Settlement Account, iService will be entitled to reduce the so transferred amount by fees and charges according to the Tariffs prior to debiting the funds to Investor's Settlement Account and the Investor expressly consents to such course of action.
- 8.12. iService shall be entitled to execute only Payment Transactions that have already been authorized by Investors as specified in subpar. 8.9 of the GCTC. Investors are advised about the execution of Payment Transactions and their parameters via the Internet Portal.

- 8.13. iService shall comply with time limits prescribed for domestic payments in the Payments Act. Where funds are transferred on the intra-company basis, iService shall debit the Investor Settlement Account and credit the funds to the payee account not later than by the end of the working day on which the Payment Order is received. Where transfer to other banks in the Czech Republic is concerned, iService shall debit the payer's account by the end of the Working Hours during which the Payment Order was received. In the case of standard transfer, the amount will be credited to the account maintained by the payee's provider by the end of the working day following immediately after the moment of receipt of the Payment Order.
- 8.14. The Investor acknowledges that they are required to handle any data carriers and communication means provided to it by iService with utmost care. Investors shall inform iService about any loss, theft or misuse of Data Carriers or means of communication or their unauthorized use. Investors remain responsible for any damage and other consequences resulting from any unauthorized use of Data Carriers or means of communication until the first working day following after the day on which iService receives Investor's notice pursuant to the preceding sentence.
- 8.15. The Investor further acknowledges that they are responsible for the protection of the Internet Portal login data and for the protection of the generated Validation Code. iService shall not be liable for damages and losses, if any, caused as a result of unauthorized use of the login data assigned to the Investor and the generated Validation Code.

9. Recovery of Owed Amounts from Borrowers

- 9.1. If a Borrower defaults in the repayment of a loan in which an Investor acquired Participation, iService will initiate recovery of the owed amounts. Investor acknowledges that the manner of recovery will be selected by iService, with due regard to their professional experience and expertise and while attempting to maximize the recovered amount. Investor acknowledges that iService is not bound by any instructions or recommendations received from Investors. However, Investors will be entitled to decide, in the prescribed time limit after any loan will have become due and payable, whether the Investor will attempt to recover any owed amount corresponding to their Participation by his own means or whether the recovery will be left to iService. Should the Investor opt for recovery by his own means, iService - acting on the Investor's request - will assign to the Investor part of the claim corresponding to the Investor's Participation in Loan.
- 9.2. Investors also understand that iService does not guarantee to Investors any collectability of any receivables under Loan Agreements from Borrowers, and that iService is in no manner liable for the performance of Borrowers' obligations under Loan Agreements.
- 9.3. If iService becomes aware in the process of recovery of amounts owed by Borrowers that in order to maximize the recovered amount, it will be necessary to modify the loan repayment method, iService will be entitled to modify the terms and conditions on which the loan has been extended on a Borrower. In particular, iService will be entitled to modify the amount of instalments and interest rate, or waive part of the debt. Should iService change the terms and conditions of any Loan Agreement, it will inform the Investor thereof via the Internet Portal. Investor acknowledges and agrees that this may result in modification of the terms and conditions of their Participation in Loan and in a reduction of the Share in Principal Instalments and Share in Interest Income.
- 9.4. iService shall bear all and any reasonably incurred costs associated with the recovery of owed amounts, while it will be entitled to reduce any amounts paid to them by the Borrower or third party (court bailiff, insolvency trustee) by the amount of so incurred reasonable costs in conformance with the above subpar. 6.6 of these GCTC.

10. Risks Associated with Participation in Loans

- 10.1. The Investor represents that prior to signing the Agreement, iService have advised the Investor that acquisition of Participation in Loans is associated with the risk that if Borrowers fail to repay their loans when

due and repayable, or fail to repay their loans at all, this might result in Investor suffering economic losses, i.e. partial or complete loss of the invested funds.

10.2. The Investor acknowledges that, having due regard to the risks associated with acquisition of Participation in Loans, the Investor should thoroughly consider and evaluate all and any data published about Borrowers in whom the Investor plans to invest their funds, and their inclusion in appropriate rating category, in order to spread the risk should any of the Borrowers fail to repay a loan when and as required. The Investor also understands that investing funds in the form of acquisition of Participations in Loans provided to Borrowers by iService is designated for Investors for whom potential loss of a part, or of all the invested funds would not result in deterioration of their financial and economic situation.

10.3. The Investor further acknowledges that acquisition of a Participation in Loans gives rise to transfer of the risk of non-repayment of any loan from iService onto the Investor. There is no legal relationship between the Investor and Borrower and the Investors are not authorized to recover their claims directly from Borrowers. Revenues from the investment of funds in loans depend on the repayment of loans by Borrowers. If Borrowers fail to repay their loans as and when required, Investors are not entitled to claim damages against iService due to losses generated as a result of investing funds.

10.4. The Investor also acknowledges that the amount of revenues from acquisition of Participation in Loans may be influenced by the following factors, without limitation:

10.4.1. the risk of change in circumstances and parameters of any loan pursuant to subpar. 9.3 of the GCTC for the purpose of maximizing a recovered amount, should a Borrower fail to repay their loan;

10.4.2. the risk associated with recovery – iService is entitled to recover any owed amount in agreement with Article 9 of the GCTC, i.e. in its own discretion and relying on its professional experience, iService will select a recovery method, while not being bound by any instructions or recommendations received from Investors. iService is not required to recover any owed amounts through courts, or in enforcement or insolvency proceedings;

10.4.3. the risks associated with the fact that extension of loans is governed by the Consumer Loan Act include the facts: that loans are unsecured, that Borrowers have the right to prepay their loans at any time which, in turn, may affect payment of the Share in Interest Income, and that Borrowers have the right to withdraw from the concluded Loan Agreements within 14 days if the date of their conclusion which may affect the payment of revenues associated with Participation in Loans.

11. Termination of the Agreement

11.1. This Agreement is entered into for indefinite period of time and may be terminated by agreement between the Parties on the terms and conditions specified herein.

11.2. The Investor has the right to withdraw from the Agreement without having to state a reason within fourteen (14) days of the date of its conclusion by serving a written withdrawal notice on iService's address. If funds have already been deposited in the Investor's Settlement Account, iService undertakes to transfer such funds to the Investor's Bank Account within fifteen (15) days of delivery of the Investor's withdrawal notice. If the Investor has already submitted a bid for Participation in Loans with subsequent reservation of funds in the Investor's Settlement Account, or had already secured Participation in Loans, the Investor's withdrawal will not become effective until the termination of the Investor's participation pursuant to the GCTC.

11.3. iService will have the right to withdraw from the Agreement in the following cases:

11.3.1. the Investor breaches their obligations set out in Article IV of the Agreement, or any of the Investor's representations given in Article of the Agreement proves to be untruthful or incorrect;

- 11.3.2. material breach of the Agreement on the Investor's side, provided that material breach of the Agreement shall be deemed delay by the Investor in the performance of their contractual obligations or any one of them for more than 15 days;
- 11.3.3. iService becomes aware that Investor's assets have become the subject of enforcement proceedings, that the Investor has gone bankrupt or that there is a threat that the Investor may go bankrupt.
- 11.4. Withdrawal of iService from the Agreement will become effective immediately upon delivery of the withdrawal notice to the address of the Investor's permanent residence as given in the Agreement. Termination of the Agreement will not release any of its Parties from the obligation to perform and settle all its liabilities resulting from the Agreement as on the termination date.
- 11.5. Both iService and Investor are authorized to terminate the Agreement in its part dealing with Investor's Participation in Loans without giving any reason and anytime during its term, provided that the Investor's Participation in Loans has been settled in full. The notice period will be 1 (one) month and will start to run on the first day of the calendar month following after delivery of the termination notice to the other Party.
- 11.6. Both iService and Investor are authorized to terminate the Agreement in its part dealing with the Payment Services without giving any reason and anytime during its term. If the notice is, the notice period is 1 (one) month and 2 (two) months if served by the Investor and iService, respectively, and will start to run on the first day of the calendar month following after delivery of the termination notice to the other Party. The Investor acknowledges that if the Investor terminates the Agreement pursuant to this Article of the GCTC, termination will take effect only after the full settlement of the Investor's Participation in Loans (i.e. the Settlement Account will be closed only after all the funds held by the Investor and originating from their Participation in Loans will have been transferred).

12. Liability for Damages

- 12.1. Each Party shall be liable for damage it causes to the other Party as a result of a breach of its obligations under the Agreement. The Parties agree to apply their best effort to prevent any damages, and to minimize the occurring damages.
- 12.2. Neither of the Parties shall be liable to the other Party for delays caused by delays in the performance of an obligation by the other Party. Neither of the Parties shall be liable for any damage caused by delays of the other Party in the performance of the other Party's obligations.
- 12.3. Neither of the Parties shall be liable for any damage caused by circumstances excluding liability in the sense of the Civil Code. Circumstances excluding liability shall be deemed, without limitation:
- 12.3.1. unexpected failure of the information system for which iService is not responsible;
- 12.3.2. unexpected failure of computer equipment disallowing due and proper functioning of the information system for which iService is not responsible;
- 12.3.3. interruption of the Internet connection caused by failure on the Internet provider's side or line overload;
- 12.3.4. unexpected failure of payment systems;
- 12.3.5. failure of a means of remote communication used by the Investor or iService;
- 12.3.6. failure of any other technical means.
- A circumstance excluding liability shall not be deemed an obstacle having occurred while the obligor Party already delayed in the performance of its obligations, or having occurred as a result of the obligor Party's economic situation. Circumstances excluding liability shall be limited solely to the duration of the particular

obstacle having the relevant effects. The Parties undertake to advise the other Party without undue delay about the occurrence of circumstance excluding liability preventing in due and proper performance of the Agreement.

12.4. For security reasons, iService shall have the right to delay, or refuse the execution of Investor's instruction in the case of any doubt whether the instruction has been given by the Investor, or that the execution of such instruction would be contrary to legal regulations. iService shall be entitled to delay, or refuse the execution of such an instruction solely for a period as might be required for verification of the Investor's information and data required for the execution of the instruction.

13. Tariffs

13.1. Integral part of these GCTC are the Tariffs specifying the amount and types of fees and charges Investors are required to pay to iService for individual Services, activities and procedure in the use of the Internet Portal.

13.2. Failure to pay any fees/charges at the required rate according to the Tariffs shall be deemed material breach of the Agreement and a reason for refusal to perform any particular service, activity or act by iService.

13.3. Investor expressly agrees that iService will collect fees according to the Tariffs automatically through withdrawal of the relevant amount from the Settlement Account. By signing the Agreement, Investor grants their consent to such automatic collection of fees.

13.4. In individual cases, iService is entitled to decide not to apply, or to apply at reduced rates, the fees set out in the Tariffs.

14. Resolution of Disputes and Supervisory Body

14.1. The Parties undertake to resolve all and any disputes occurring in relation to the Agreement primarily by mutual agreement.

14.2. If the Parties fail to resolve all and any disputes occurring in relation to the Agreement primarily by mutual agreement, such disputes will be submitted for resolution to a court having jurisdiction. Jurisdiction will be assessed in agreement with Act No. 99/1963 Coll. the Code of Civil Procedure, as amended.

14.3. If a dispute arises between the Parties in relation to the provision of the Payment Services, Investor will be entitled to approach a financial arbitrator, Corporate ID (IČO): 72546522, Legerova 69, 110 00 Praha 1 or the relevant supervisory body, being the Czech National Bank.

15. Protection of Investor's Personal Information

15.1. By signing the Agreement, the Investor acknowledges that iService, when performing its obligations under the Agreement, collects, stores and processes Investor's personal data in line with the Personal Data Protection Act.

15.2. By signing this Agreement, the Investor grants to iService their express consent to the processing of their personal data pursuant to Section 5 of the Personal Data Protection Act and the provisions of Section 7 of Act No. 480/2004 Coll. concerning certain services of information society and amending certain other laws, as amended; personal data are processed in the extent provided in registration on the Internet Portal and for purposes associated with the performance of this Agreement, for the use of those data for marketing purposes, for mailing of commercial communication, offers of products and services of iService, including by electronic means (in particular e-mail, short text messages and telemarketing). The Company is authorized to process systematically those data, including by automated methods or through an information system. iService is

authorized to mandate a third party with the processing of personal data.

15.3. iService shall process in particular the following personal data of Investors: name, surname, birth registration number, address of permanent residence, address of other residence, personal ID number, passport number, electronic mail address, IP address, Facebook ID, bank account number, all of the preceding in conformance with the purposes stated in this Subpar. of the GCTC. Processing of personal data shall include their collection, storage on a data carrier, disclosure, changing, modification, supplementing or correction, research, propagation, publishing, storage, blocking and destruction.

15.4. Also, the Investor hereby agrees that iService may provide, in the minimum required extent, the personal data furnished by the Investor to other entities either cooperating with iService or providing to iService services in the performance of the Agreement in the course of iService's usual business and as part of other statutory obligations of iService.

15.5. In addition, the Investor grants to iService their consent to making and storing copies of their identity documents and other documents furnished to iService by the Investor, in particular the personal identification card pursuant to Act No. 328/1999 Coll., as amended, and travel document pursuant to Act No. 329/1999 Coll., as amended, to be used by iService for the purpose of protection of the Investor's interest and iService's rights, in particular for verification of the Investor's identity and prevention of crime. This consent is granted for the entire term of the Agreement, and thereafter for additional 10 years of the end of the calendar year in which the Agreement will have been terminated.

15.6. Also, the Investor hereby grants to iService their consent to the recording of telephone conversations with the Investor and to the storage of the recorded telephone sessions for the term of the Agreement and thereafter for any term as may be required under the valid and effective legal regulations.

15.7. The Investor represents that their personal data furnished to iService are accurate, complete and truthful. The Investor acknowledges that any change in their personal data must be notified to iService without undue delay.

15.8. The Investor further represents that their personal data have been furnished to iService voluntarily. Investor has granted all and any consent specified in this subparagraph of the GCTC until such contents will have been revoked. Investor has the right to revoke any granted consents at any time and in any case only after the satisfaction of all of the Investor's liabilities resulting from the Agreement. This, however, shall not apply to the consent the Investor has granted to iService for the use of the data for marketing purposes and for mailing commercial communication, offers of iService's products and services, which consent can be revoked at any time. Investor shall be entitled to revoke any of their consents by mailing a written notice to zlutymeloun@zlutymeloun.cz or to the postal address of iService.

15.9. The Investor acknowledges that they have the right to access those data for the purpose of their correction in line with the provisions of Section 11 of the Personal Data Protection Act. In addition, the Investor acknowledges that if they become aware, or believes that iService processes their data in a manner contrary to the protection of his private or personal life, in breach of legal regulations, or that their personal data are incorrect, considering the purpose of their processing, the Investor may seek explanation from iService. In addition, the Investor may request removal of such situation through blocking, correction, supplementing or destruction of the Investor's personal data in line with the provisions of Section 21 of the Personal Data Protection Act. At the same time, Investor has the right to approach the Personal Data Protection Authority (www.uouu.cz) with the request to take corrective action.

16. Amendments to GCTC

16.1. The Investor acknowledges and agrees that iService has the right to unilaterally amend and/or supplement the present GCTC, including the Tariffs, in line with valid legal regulations and this Article of the GCTC.

16.2. iService will be required to publish the new text of the GCTC on the Internet Portal and to send the new text of the GCTC to each Investor through the Internet Portal not less than 2 (two) months before the effective date of the amended GCTC. If the Investor does not consent to the amendment to the GCTC, they will have the right to terminate and deliver to iService the Agreement at any time before the purported effective date of the amendment to the GCTC, provided that if the Investor has already secured Participation in a loan, the termination will become effective upon the termination of Investor's Participation in Loan. In all other cases (i.e. where the Investor has not secured a Participation in Loan), the Investor is entitled to serve on iService a termination notice with instant effect. If the Investor does not refute an amendment to the GCTC (i.e. does not terminate the Agreement) until the effective date of the amended GCTC, it will be understood that the Investor consents to the amendment to the GCTC.

17. General, Common and Final Provisions

17.1. Both the Agreement and GCTC shall be governed by laws of the Czech Republic.

17.2. In the case of discrepancies between the provisions of the Agreement and GCTC, the GCTC shall prevail.

17.3. The Investor acknowledges that certain actions, activities or services in the use of the Internet Portal must be confirmed by a validation code. List of validation codes, together with specification of actions, activities and services the execution/performance requires typing in a validation code, will be generated for the Investor by the Internet Portal.

17.4. As a matter of preference, the Investor and iService use the Internet Portal or e-mail communication for the purpose of mutual communication, unless specified otherwise in these GCTC for each specific case. If documents are delivered via the Internet Portal or e-mail communication, it will be understood that a message, notice or other written communication has been delivered to the Investor within 24 hours of its dispatching by iService. Where service of documents is secured through a provider of postal services to an address specified by the Investor in the Agreement or to iService's address, it will be understood that the written communication in question will have been delivered to the addressee on the third day of its posting, also if not collected by the addressee (fiction of delivery).

17.5. These GCTC shall become valid and effective on 1.12.2016