

GENERAL TERMS AND CONDITIONS FOR ELECTRONIC COMMUNICATIONS SERVICES OF THE NETBOX® NETWORK

Article I INTRODUCTORY PROVISIONS

- 1 The company SMART Comp. a.s., with its registered office at Brno, Kubičkova 1115/8, Company ID No.: 25517767, incorporated in the Companies Register kept by the Regional Court in Brno, Section B, Insert 4197 (“**provider**”), providing electronic communications services under the business name “NETBOX” (“**services**”) hereby lays down the following general terms and conditions (“**GTC**”) governing the provision of services in accordance with the certificate No. 217 issued by the Czech Telecommunication Office and Act No. 127/2005 Coll., on electronic communications (“**ECA**”), to users on the basis of a concluded Contract for the Provision of Electronic Communications services (“**contract**”) and amendments to the contract (“**amendments**”). The term “contract” as used herein also refers to individual amendments to the contract; these amendments concerning particularly individual services shall be governed by the provisions regarding contracts. The provider may offer the services on an individual basis or along with other services as the so-called service packages; a service package is considered a service too. The services are provided in the territory of the Czech Republic.
- 2 In order to avoid any doubts, where there is any conflict between the provisions of the contract (or its amendments) and these GTC, the provisions of the contract shall prevail. Where the provider and the user entered into a loan for use contract or a lease/sub-lease contract, the provisions of the loan for use contract or the lease/sub-lease contract shall prevail over those of these GTC in case of any conflict between them.
- 3 The GTC, service pricelists available at www.netbox.cz/dokumenty, including the pricelist of additional services (“**pricelist**”), the list of the types of services provided, service description, offer of the types of services provided, technical parameters of the services as well as other possible arrangements between the parties shall form an integral part of the contract. By signing the contract, the user agrees that as of the contract effective date, he/she/it joins the provider's loyalty program and agrees to the conditions thereof as published at www.netbox.cz/vernostni_program. Where the parties enter into a new contract replacing the previous one, user's financial or other liabilities under the previous contract shall not terminate and they shall be governed by the conditions of the new contract mutatis mutandis (in these cases, the eldest claims against the user shall be paid preferentially from any payments made by the user).
- 4 By the contract the provider undertakes to provide the agreed services to the user and the user undertakes to use those services for the agreed time, provide the required cooperation and fulfill obligations ensuing from the contract, particularly pay the price of the services on a due and timely basis.
- 5 **Definitions:**
 - a) subscriber – any natural or legal person that has entered into a contract with the provider;
 - b) user – any natural or legal person that uses or requests a service. Where these GTC refer to a user, it can also mean a subscriber, based on the nature of the subject matter and logical interpretation;
 - c) provider's electronic communications network – transmission systems, or switching or routing devices and other means of signal transmission by wire, radio, optical or other electromagnetic means etc., regardless of the type of information transmitted (hereinafter referred to as the “network”);
 - d) network termination point – the physical point (socket, Ethernet port) through which a subscriber is provided with access to the network;
 - e) user's terminal equipment: PC – a device enabling access to the Internet network; gateway – home gateway – a device for the provision and use of voice services; set-top-box (STB) – a device for the reception of television signal; user server; a telephone enabling the use of mobile services;
 - f) CSC – provider's customer service centre. CSC addresses in individual locations where the services are provided are available at www.netbox.cz/kontakty. Current information on the types of services provided and on the applicable service prices can be obtained at the CSC, at www.netbox.cz, or from the provider's sales representatives;
 - g) CC (provider's call center) – telephone number: 539 01 01 01 (also see www.netbox.cz/kontakty). The CC collects requests to handle technical problems and orders for repair services, user reports of failures in the delivery of services and of equipment defects, informs about the current range of services. Customer support services are provided to service users via the CC and CSC;

- h) restriction on the provision of services – preventing active access to the services, i.e. partial restriction on the provision of services. Renewal of the provision of a service (reactivation) is possible at the subscriber's request and upon payment of a reactivation fee in the amount specified in the current pricelist;
- i) disconnection of service – complete prevention of access to the service, i.e. absolute restriction on the provision of the service. The services are not charged by the provider within the duration of the disconnection;
- j) cancellation of provided service – cancellation of subscriber access line or deactivation of all SIM cards under one contract (e.g. upon termination of the contractual relationship);
- k) refundable deposit for services – the amount specified in the pricelist which the provider is entitled to request from the subscriber when signing the contract and which the subscriber is obliged to pay at the provider's request when signing the contract;
- l) call limit – the amount specified in the pricelist which the subscriber is not entitled to exceed in the course of one calendar month when using the services;
- m) minimum monthly payment – the financial amount specified in the contract or pricelist, below which the scope of services used in one settlement period must not fall; where the scope of services used falls below the minimum monthly payment, the subscriber shall be charged for the agreed amount of the minimum monthly payment. The minimum monthly payment applies to each contract concluded;
- n) activation fee – the price for setting up the service charged by the provider in the amount specified in the current pricelist and usually payable in cash upon the signing of the contract;
- o) deadline for starting the provision of service – provider's services will be set up (activated) no later than within 30 days from the day of receipt of a service order unless agreed otherwise at the subscriber's explicit request;
- p) minimum guaranteed service quality level – it is the 95% availability of all provider's services unless agreed otherwise with the subscriber;
- q) range of programmes – range of programmes within the NETBOX TV service, which includes a list of individual TV channels. The current range of programmes is available at www.netbox.cz/televize, at the CSC or via the CC;
- r) infosite – *Moje konto (My Account)* application available after entering the account login and password at konto.netbox.cz and used for communication between the provider and the subscriber, to send invoices, inform about services, serve provable notices of failures to pay the prices, change contractual conditions, inform about contract extensions etc.

The subscriber agrees that all provider's notices served in accordance with the contract or these GTC or documents sent by the provider, including invoices, shall be considered delivered to the subscriber on the date of their publishing at the infosite;

- s) trial run – a period of testing the operation and provision of the relevant service. During the trial run, the service is provided in accordance with special contractual conditions for the service trial run. Once the trial run period expires, the obligation relationship between the provider and the user shall automatically terminate unless a relevant contract is signed;
- t) purchase PIN code – a unique PIN code that the user receives upon activation of the NETBOX TV service or the NETBOX BALÍČEK service containing the NETBOX TV service, which the user shall use particularly to order titles (using sub-licenses) from the range of the NETBOX KINO service. The PIN code can be changed via the infosite in the manner specified therein or via the CC after providing a communication password (the so-called alternative identifier – see below – cannot be used in this case). The same procedure shall apply to a new entry/change of the parental PIN code (parental lock). The PIN code / parental PIN code is always linked to an individual contract and a single connection point of the user. The parental PIN code is a technical measure allowing the user to restrict the access of children and underage persons to television broadcasting; this PIN code is always provided for thematic TV stations with erotic content and it is required when placing orders for titles with such content;
- u) self-service – an application accessible via the user's set-top box through which it is possible to enter into contracts or amendments subject to the entry of the purchase PIN code where the first contract with the user was made in writing in accordance with these GTC. The procedure of entering into contracts via this application is described in detail in the user's set-top box;
- v) communication password – a password assigned to the user by the provider upon activation of the service or generated/entered by the user via the provider's information system; the provider shall be entitled to ask the user for the password when communicating about their contractual relationship (particularly when changing a service, changing the PIN code etc.); users shall identify themselves to the provider using this password;

- w) SIM card – a subscriber identification card to identify a subscriber of the NETBOX Mobil service in the public telephone network; a single telephone number is assigned to each SIM card;
- x) NETBOX INTERNET or INTERNET service – public electronic communications wired connection service via a communication network; individual types of this service, including technical parameters, are specified in the current pricelist;
- y) NETBOX TELEFON or TELEFON service – public telephone service provided via public wired electronic communications networks using the VoIP technology. Technical parameters of the service are specified in the current pricelist.
- z) NETBOX MOBIL or Mobil service – public electronic communications service provided via a third-party mobile communication network containing basic and additional services specified at www.netbox.cz/mobil; technical parameters of the service are specified at the website and in the pricelist.
- aa) NETBOX TELEVIZE or TELEVIZE service – service of taken-over television (and radio) broadcasting in digital quality using the IPTV (Internet Protocol IV) technology via an optic electronic communications network on the basis of registration; thematic TV stations as well as technical parameters of the service are specified in the current pricelist and other integral parts of the contract.
- bb) NETBOX KINO – an additional service of a virtual videotheque where the provider grants the subscriber the right to use a movie for a limited period of time (sub-licence) and the subscriber undertakes to pay the provider the agreed price for the sub-licence for a specific title.
- cc) NETBOX NAHRÁVÁM – an additional service to the TELEVIZE service or the BALÍČEK service (containing the TELEVIZE service) as described at www.netbox.cz/nahravam.

Article II RIGHTS AND OBLIGATIONS OF THE PARTIES

A. Rights and obligations of the user (subscriber)

- 1 The user shall procure hardware as well as software devices, including their installation, input and output devices including a TV receiver (“**user's devices**”) and ensure their functionality and compatibility with the service so that they can be connected to the provider's network termination point. The provider shall not be not responsible for the functionality or operation of the user's devices. The list of devices approved by the provider is available at www.netbox.cz/zarizeni. Where a device other than approved by the provider is connected, the provider shall not be responsible for the functionality and availability of the service and the quality of provided services is not guaranteed in these cases. The subscriber shall also comply with the Technical Conditions as available at www.netbox.cz/dokumenty.
- 2 The user shall not connect any devices that fail to meet the requirements of safety, technical and other standards or are unapproved pursuant to Czech legal regulations to the provider's terminal equipment or to the mobile communication network via which the services are provided. The user is not authorized to provide services to third parties unless agreed otherwise between the provider and the user in writing. Where this obligation is violated, the user shall pay the provider a contractual penalty of CZK 15,000 (in words: fifteen thousand Czech crowns) within 7 days following the date of delivery of an invoice with this contractual penalty. Charging and payment of the contractual penalty shall be without prejudice to the provider's right to compensation of damage or to the amount of this compensation.
- 3 The user shall not be entitled to change the **place of installation** without provider's approval. The user may not in any way interfere with the provider's devices or allow the interference by a third party that does not have provider's written authorization to do so, failing which the user shall fully compensate any damage caused in this context. The user confirms and agrees that in case of the so-called FTTH (fiber to the home) connections, the user will receive a device necessary for the provision of services that may be a source of invisible electromagnetic radiation and cause eye injury if handled inexpertly (damage, unauthorized opening by the user etc.).
- 4 The subscriber shall **inform the provider of any changes of data concerning himself/herself/itself** or the payer, should it be a person different from the subscriber, at least 7 days **in advance** (particularly telephone number, mailing address, change of the surname, change of the business name, contact e-mail etc.) at the CSC, via the infosite or in writing by recorded delivery to the address of the CSC or the provider's registered office. Detailed information on the change procedure and deadlines is available at the infosite.

- 5 The subscriber shall select an address to which the provider will send any and all documents (mailing address).
- 6 The subscriber shall use the **contact e-mail** specified in the written contract to communicate with the provider. A message sent by the provider to this e-mail address shall be automatically considered delivered.
- 7 **Access to the secured section of the infosite:** where the subscriber wishes to access the secured section of the infosite, he/she/it shall ask the provider for identification data, i.e. login and password, by an electronic request. Provision of identification data is subject to the establishment of a contractual relationship between the provider and the subscriber, i.e. the first of the contracts between the provider and the subscriber must be executed in writing and with the subscriber's original signature. The subscriber shall not disclose his/her/its login and password to any third party, not interfere with the password in any way without provider's prior approval, particularly change the password otherwise than as specified by the provider (the password change procedure is available at www.netbox.cz/moje_konto), and he/she/it shall be fully responsible for the loss or misuse of those data. Where this obligation is violated, actions of those parties shall be considered actions of the subscriber himself/herself/itself.
- 8 The subscriber/user may access the secured section of the infosite via external authorization servers, i.e. third-party services (e.g. Facebook, OpenID etc.); the subscriber confirms that in these cases, he/she/it will provide third parties with his/her/its identification data for access to his/her/its infosite at his/her/its own risk and the provider is not responsible for any actions (e.g. changes of contracts) taken by the subscriber via those external authorization servers or via third-party services on the basis of subscriber's/user's access to those services. The subscriber shall link the infosite with external servers via his/her/its infosite according to the procedure specified therein; once the link is established by logging in to a third-party service (e.g. Facebook), the subscriber will automatically log in to his/her/its infosite without having to re-enter his/her/its identification data (i.e. the subscriber is identified by the third party according to the procedure determined by the third party, particularly by entering a login and password, certification authority certificates, identification SMS message), and the subscriber may take legal actions leading to a change or termination of contractual relationships with the provider; this identification takes place outside the provider's network and the subscriber's infosite.
- 9 The subscriber/user shall not disclose his/her/its access password for the use of services as assigned in the contract or in the activation guide to any third party. Where this obligation is violated, the subscriber shall be responsible for any actions taken by those parties as if they were taken by himself/herself/itself.
- 10 The subscriber/user shall allow the provider to carry out any works related to the delivery of services, repairs, maintenance, change, relocation or disassembly etc. of the provider's devices at the place of installation / termination point. Where the aforementioned is not allowed to the provider, the provider shall not be obliged to fulfil its obligations ensuing from the contract; in these cases, the provider does not guarantee the minimum guaranteed service quality level to the subscriber. Where the service quality diminishes as a result of the aforementioned actions or omissions or other violations of the contract by the subscriber/user, the subscriber/user shall have no right to compensation of the incurred damage or to repayment of the service price or its proportion. Works carried out on the devices of the provider or a third party via which the Mobil service is provided may result in a service failure; the subscriber shall be responsible for making a backup of his/her/its terminal equipment data; the provider shall have no responsibility for possible failure to make a backup or for any loss of data or information.
- 11 Where the user buys terminal equipment for the use of the TELEVIZE service or the NETBOX TELEVIZE service, he/she/it shall become the owner of the equipment.
- 12 The subscriber/user acknowledges and agrees that the provider keeps an electronic database of operations made by the subscriber/user within as well as outside the provider's network, and gives the provider his/her/its consent to measure the volume of data transmitted by the provider's technical devices or other activities of similar nature. This shall be without prejudice to the protection of personal, operational or localization data in accordance with the applicable legal regulations.
- 13 The subscriber/user acknowledges that communications via electronic communications networks are not secured and the transmitted data may be attacked, monitored or lost; the provider shall have no responsibility for any damage incurred in this respect.
- 14 The subscriber/user confirms that the use of the TELEVIZE service and the KINO service may affect the bandwidth of the Internet network access service when those services are used simultaneously at one place of installation.
- 15 Where the TELEVIZE service and the KINO service are used, the subscriber/user may not use their contents within the meaning of the applicable provisions of copyright laws, except for his/her/its personal needs according to the purpose of the provided service in the extent technically allowed by the service. It is expressly forbidden to make the contents obtained within this service available; the user shall use any and all contents obtained via the TELEVIZE or KINO service in accordance with the applicable legal regulations, principles of morality and general usages. In particular, it is expressly forbidden to reproduce and copy the contents and to disseminate or disclose them to the public, change and modify the contents or otherwise manipulate the copyright or related rights and technical protection features or information mechanisms that may form a part of the service contents. Where the service or its content is misused, the user shall be fully responsible for the misuse. Where the obligations ensuing from this Section are violated, the provider may withdraw from the concluded contract with immediate effect.

- 16 The subscriber shall use the services for the agreed period of time for which the contract has been concluded; where the subscriber violates this obligation, the provider may charge the subscriber a contractual penalty for violation of this obligation. In case of subscribers who are consumers, the contractual penalty is equal to one fifth of the sum of regular monthly payments or one fifth of the sum of the minimum monthly payments remaining till the end of the agreed term of the contract (i.e. for the period from the effective date of contract termination to the end of the agreed term of the contract). In case of subscribers who are not consumers, the contractual penalty is equal to the sum of regular monthly payments or the sum of the minimum monthly payments remaining till the end of the agreed term of the contract.
- 17 In addition, the subscriber shall particularly:
- a) pay the prices for services and service operations in the amount specified in the pricelist valid at the time when the service is provided, and use the ordered services in accordance with the applicable legal regulations and the contract;
 - b) not make any attempt to get to other data networks or service which he/she/it has no authorization to access or use;
 - c) not use the services or the provider's devices and ancillary devices to violate the authorization or security of any host, data network or account and to obtain unauthorized access to the terminal equipment, software or data of another user and not use or disseminate any means or devices endangering the data network security or enabling interference therewith;
 - d) refrain from any actions violating ethical rules of conduct on the Internet network, particularly not send unsolicited mass messages via electronic mail (the so-called spamming), port scanning etc.; and
 - e) pay all costs incurred by the provider due to payment tracing and serving of reminders, and costs related to the recovery of claims.
 - f) The subscriber/user confirms that he/she/it has been informed of the requirements for parameters of the terminal equipment connected to the network termination point and undertakes to use only terminal equipment approved or recognized for operation in the Czech Republic.
- 18 The obligation to pay a **refundable deposit** at the provider's request applies to each individually concluded contract. The deposit shall be refunded within 90 days of the effective date of contract termination, either in cash at the CSC or the provider may send it to the subscriber by a postal order against the fee specified in the pricelist (the provider being authorized to reduce the amount of the refunded deposit by the fee). In case of withdrawal from a contract concluded at distance within the statutory 14-day limit, the deposit shall be refunded at the provider's expense in the form in which it was received from the subscriber. The provider may use the refundable deposit to set off its claims against the subscriber, particularly to settle any unpaid prices of the services, contractual penalties or financial settlement, prices of unreturned devices etc. In such a case, the provider may ask the subscriber to replenish the refundable deposit to its original amount. The refundable deposit shall be paid to the provider in the course of a contractual relationship also by a subscriber who agreed with the provider on payments for services in the form of subscription and who changes, on the basis of a request, the form of payment in the course of the contractual relationship to payment other than the subscription. Payment of the refundable deposit will be also required from a subscriber who terminated his/her/its contract for the INTERNET, TELEFON or BALÍČEK services without simultaneously terminating the contract for the Mobil service under which the subscriber has not paid the deposit; where the deposit is not paid no later than by the effective date of the terminated contract, the contract for the Mobil service shall automatically terminate upon termination of the aforementioned contract.
- 19 The call limits shall apply to each individually concluded contract regardless of the number of telephone numbers assigned to the contract. By agreement between the subscriber and the provider, the call limits may be agreed in an amount different from the pricelist provided that the subscriber pays the provider a refundable call deposit. Where the call limit of the contract is exceeded (as a result of using the services from any telephone number specified in the contract), the provider may restrict the paid calls, made or received, or services as of the moment when the limit is exceeded. The provider shall cancel the restriction no later than within 240 minutes from payment of the returnable call deposit in the minimum amount of CZK 1,000 in cash at the provider's CSC. The call deposit shall be refunded in cash at the CSC within 30 days from termination of the contract or an amendment regarding the relevant service, or within 30 days from the due returning of the devices for the use of the TELEFON services owned by the provider. The provider may use the call deposit paid by the subscriber to set off its claims against the subscriber, particularly to settle unpaid prices for the provided services, contractual penalties, prices of lent devices etc.

- 20 The parties shall consider any actions taken by the subscriber using the communication password consistent with the written form. Instead of the communication password, the subscriber may use, in order to identify himself/herself/itself, an alternative identifier selected by the subscriber via the infosite; the alternative identifier may be particularly a combination of the subscriber's birth certificate number and identity card number or other fact stated in the infosite (the subscriber shall be responsible for any actions taken under the alternative identifier as if his/her/its communication password was entered). The subscriber may change the communication password at the CSC.
- 21 The SIM card shall remain in the ownership of the provider throughout the term of the contract; the provider shall not be responsible for any data saved by the subscriber on the SIM card. Upon termination of the contract, the subscriber shall return the SIM card to the provider. When the SIM card gets lost, stolen or misused, the subscriber shall immediately notify the provider who shall take measures to prevent misuse of the SIM card or the services no later than within 24 hours of the notice receipt. The provider shall not be responsible for any damage caused by loss, theft or misuse of the SIM card. In case of loss, theft or damage of the SIM card or disclosure of the PUK code, the provider shall deliver a new SIM card to the subscriber at his/her/its request for the price and under the conditions specified in the pricelist.
- 22 The TELEFON service is provided only upon simultaneous use of the INTERNET, TELEVIZE or BALÍČEK service. The subscriber may block the display of his/her/its telephone number via the infosite. In cases of malicious and nuisance calls, the provider will disclose the caller ID data to the subscriber at his/her/its written request. The subscriber is provided with access to emergency call numbers, including the information on localization of the caller to emergency call numbers.
- a) Selective restriction of calls may be carried out at the exchange at the user's request. Information and operator services provided by other service providers may be used via the provider's network.
 - b) Within selected TELEFON services, the subscriber may be provided with free units (minutes) according to the current pricelist. Failure to use the free units shall be without prejudice to the subscriber's obligation to pay the monthly flat-rate price for the services; the provider shall not be obliged to refund the price of free units to the subscriber upon termination of the contract.

Where geographic numbers are used, the subscriber/user shall use those numbers only in the defined territory in which or for which the number was assigned; this obligation shall apply also to the subscribers with branch exchanges who, on the basis of provider's consent, assign numbers to other users for the branch exchange (regardless of the place where the exchange is physically located); any violation of this obligation shall be considered a serious violation of contractual obligations by the subscriber and the provider may withdraw from the contract on provision of the TELEFON service with immediate effect. Rights and obligations of the involved parties in the implementation of transferability of numbers are laid down in the general measure OOP/10/10.2012–12 issued by the Czech Telecommunication Office. All information on transferability of telephone numbers is available at www.netbox.cz/dokumenty.

- 23 The MOBIL service is provided only upon simultaneous use of the INTERNET, TELEVIZE or BALÍČEK service unless the pricelist determines otherwise. The pricelist may also specify other conditions for the use of this service. The subscriber may block the display of his/her/its telephone number via the infosite. In cases of malicious and nuisance calls, the provider will disclose the caller ID data to the subscriber at his/her/its written request. The subscriber is provided with access to emergency call numbers, including the information on localization of the caller to emergency call numbers.

Within selected MOBIL services, the subscriber may be provided with free units according to the provider's pricelist (minutes, SMS messages, data). The subscriber may use the free units only to make use of the services according to the pricelist. Failure to use the free units shall be without prejudice to the subscriber's obligation to pay the monthly flat-rate price for the service; the provider shall not be obliged to refund the price of free units to the subscriber upon termination of the contract. The number of free units always applies to a single contract concluded (not a single SIM card – free units for multiple SIM cards and telephone numbers specified in a single contract are cumulative).

Given the nature of radio wave propagation, the provider does not guarantee that the subscriber will be always able to get connected to the network in areas covered by signal according to the coverage map published at www.netbox.cz. Where any parts of the territory of the Czech Republic are not covered by signal or where it is impossible to get connected to the network, it will not be considered a defect of the service on the part of the provider and the subscriber will not have the right to withdraw from the contract or be entitled to compensation of possible damage.

Mutual data communication in the provider's network or in the network of a third party through which the Mobil service is provided is not allowed to the subscribers of the Mobil service. Rights and obligations of the involved parties in the implementation of transferability of numbers are laid down in the general measure OOP/10/10.2012–12 issued by the Czech Telecommunication Office. All information on transferability of telephone numbers is available at www.netbox.cz/dokumenty.

24 The NETBOX KINO service is available only to the users who have concluded a contract for the TELEVIZE or BALÍČEK (including the TELEVIZE service) service with the provider. Basic operational conditions for the provision of the KINO service:

- a) the current range of titles within the service is stated in the user's set-top box or at www.netbox.cz/kino;
- b) a sub-license to the specific title is granted on the basis of a subscriber's order placed via the subscriber's set-top box. In order to place an order, it is necessary to enter the so-called purchase PIN code and, where appropriate, also the parental PIN code;
- c) the sub-license is granted to the subscriber for a limited time of the maximum of 24 hours from the moment of granting the sub-license to the specific title, i.e. from the moment when the provider confirms an order placed by the subscriber. The provider shall be entitled not to confirm the order where it has any due claim against the subscriber;
- d) the provider may restrict, by a unilateral legal act, the maximum number of titles ordered by the subscriber in one calendar month. This limit shall not include titles from the videothèque section that is available to subscribers for free;
- e) ordering of titles, granting of sub-licenses and payments of prices shall be tied in with the specific contract and the place of the subscriber's connection.

Other conditions for the provision of this service are laid down in the GTC or may be specified in the service description at www.netbox.cz/kino.

B. Rights and obligations of the provider

- 1 Upon conclusion of the contract or activation of the service, the provider shall assign an access password(s) for the use of the services to the subscriber. The provider may unilaterally change this (these) password(s); the provider shall notify the subscriber of any password change at least 3 days in advance.
- 2 The provider reserves the right to change IP addresses assigned to the subscriber and make other technical changes necessary for due provision of services in the course of the contractual relationship; the subscriber shall have no right to compensation of possible damage caused in this context and shall cooperate with the provider as necessary in the implementation of those technical changes. The provider shall not be responsible for possible limited functionality of third-party services due to IP address and port transfers on the part of the provider.
- 3 Where the subscriber uses a provider's e-mail box in the form of ...@nbox.cz, he/she/it agrees that the provider may automatically remove the box contents older than 3 years (counted from the date of the e-mail message delivery or sending) even if the contractual relationship between the subscriber and the provider continues. The provider may cancel the e-mail box in the form of ...@nbox.cz after expiration of 2 years following the termination date of the contract with the subscriber. In these cases, the provider shall not be responsible for the box contents or for any damage possibly caused in this context.
- 4 The provider shall not be responsible for any materials, information and data placed at the user's homepage or for any information and data used by the user in connection with the use of services.
- 5 **Effects of a failure to pay prices for the services:** where the subscriber fails to pay an invoice with prices for the services by its due date or fails to meet other contractual conditions, the provider shall provably notify the subscriber and grant an additional time period for fulfilment or remedy; the additional time period must not be shorter than 1 week from the notice delivery date. The notice shall be delivered to the subscriber via the infosite and sent to the subscriber's contact e-mail, to which the subscriber expressly assents. Where the subscriber fails to provide a remedy or pay for the services by the set deadline, the provider may restrict provision of the relevant separately invoiced service by preventing active access to the service, except for making calls to emergency call numbers. Where contractual conditions are not fulfilled repeatedly or where the subscriber constantly pays prices for the services with delays or fails to pay the prices, the provider may terminate provision of the relevant separately invoiced service and withdraw from the contract with immediate effect. The subscriber shall reimburse the provider for any costs related to the delivery of a notice of the failure to meet contractual conditions according to the current pricelist.

Partial payment for the service (including the BALÍČEK service) shall be also considered a violation of contractual conditions or, where appropriate, a failure to pay an invoice with prices for the services; therefore, even in the case of partial payment, the provider may restrict the service (including the BALÍČEK service), disconnect the service and withdraw from the contract. The subscriber gives the provider his/her/its consent to send notices of failures to meet contractual obligations in the form of SMS messages to the subscriber's telephone number stated in the contract. A fee according to the applicable pricelist is imposed on the SMS message sent.

- 6 The provider **may refuse to enter into a contract or amendment** particularly where: i) it has any unsettled claims against the subscriber; ii) the subscriber has a record in the Central Register of Executions; iii) the subscriber intentionally provided incorrect personal or identification data.
- 7 The provider may refuse to enter into a contract or amendment also in the event that the subscriber entered into liquidation, insolvency proceedings were initiated and have been in progress against the subscriber or the motion to initiate insolvency proceedings has been dismissed due to lack of assets (where any of these facts occurs during the term of the contract, the provider may withdraw from the contract with immediate effect even without prior request to rectify the situation). This arrangement shall apply to contracts made from 1 August 2013 onwards.
- 8 The provider shall provide its services at the **guaranteed quality level** of individual services as specified in Article I(4) of the GTC or in the current pricelist, in accordance with the ECA and measures issued by the Czech Telecommunication Office. The provider shall not be responsible for the reduced quality of the TELEVIZE service as long as the causes of reduced quality are on the part of providers of television and radio broadcasting (suppliers of programmes) which the provider takes over. The provider shall not be responsible for the quality and contents of services provided by other service providers, including foreign ones, or for the quality and contents of third-party services that are provided via the provider's network.
- 9 The provider shall **remove defects** on its part usually within two business days of the defect reporting to the CC, except for objective reasons for which a defect or failure cannot be removed, e.g. inaccessibility of the network termination point, electricity supply cut, and except for situations where the provider is temporarily or permanently prevented from the removal of a failure or defect by an extraordinary, unforeseeable and insurmountable obstacle emerged independently of the provider's will (particularly natural disasters, fires, floods, extremely bad weather conditions etc.).
- 10 Where **the service could be used only partially or could not be used at all** due to a technical or operational defect on the provider's part (hence the minimum guaranteed service quality level has not been maintained), the provider shall ensure removal of the defect and adequately reduce the price or, in agreement with the subscriber, ensure alternative provision of the service. Restriction on the provision of a service or services as a result of violation of contractual obligations by the subscriber/user shall not be considered interruption of the delivery of services. The provider shall not be obliged to compensate users for any damage incurred as a result of interruption or defective provision of the service. Reduced quality or unavailability of services at the time of the so-called planned regular maintenance by the provider, which is planned for Tuesday of each calendar week at the time between 2 a.m. and 6 a.m., shall not be considered a reduction of the quality / availability / level of the services.

The costs of defect removal shall be borne by the provider except for cases where the defect is caused by the subscriber/user or where the defect is caused by a failure of the user's terminal equipment. In these cases, the subscriber/user shall pay the price for defect removal according to the current pricelist.
- 11 With respect to the TELEVIZE service or its additional services, the provider shall not be responsible for the contents of the taken-over television and radio broadcasting or for violations of third-party rights caused by making those contents available. The provider shall provide the TELEVIZE service continuously in accordance with legal provisions, except for the time necessary for maintenance of technical and software equipment and except for failures on the part of providers of the radio and television broadcasting which the provider takes over.
- 12 The provider shall not be responsible for the use of services by the user and for the contents of transmitted messages (information).
- 13 In order to prevent saturation of capacity or overcapacity, the provider applies the following procedures: i) voice services are provided in preference to the data services; ii) where the connection capacity is saturated, no new call can be initiated but calls in progress are not affected; iii) where the connection capacity of data services is saturated, the connection rate of all active network users is reduced; iv) FUP is applied with respect to data services.
- 14 The provider reserves the right to unilaterally change the range of programmes of the NETBOX TELEVIZE service, particularly the structure of channels, number of channels, mainly due to changes in the legal and technical conditions or changes of the conditions by suppliers of individual programmes. The provider shall not be responsible for the contents of broadcasted programmes or for defects caused by the failure to deliver or by defective delivery of programmes to the provider by their producers or distributors.
- 15 The provider shall not be responsible for the loss of data saved by the subscriber or for damage possibly caused by the loss in connection with the use of the NETBOX NAHRÁVÁNÍ service.
- 16 Where the network security and integrity and the service security are breached or where a threat to them or their vulnerability is ascertained, the provider may take the following types of measures:

- 1) block the breaching data operation;

- 2) restrict or completely block customer's access to the provider's data network;
 - 3) terminate the contract with the subscriber and disconnect the customer from the provider's data network. The provider shall notify the subscriber thereof at the contact e-mail and via the application Moje konto.
- 17 The subscriber acknowledges that operation management measures (fair user policy) may affect the quality of the provided Internet access services (applicable within the Mobil service) so that the bandwidth of the Internet connectivity within the Mobil service may be limited to 64 kbps from the moment of introducing the measure till the end of the relevant settlement period. Speed reduction and latency increase (response prolongation) will have an equal impact on all services which are accessed via the Internet network within the Mobil service. These measures may affect availability of services within the Internet network, particularly the more data-intensive ones. These measures have no impact on the protection of personal data and privacy of the subscribers.
- 18 The subscriber acknowledges that where the physical capacity of the network termination point for the connection of the subscriber is not sufficient for operation of the connected terminal equipment for the NETBOX TELEVIZE service (on average approximately 7 Mbps per terminal equipment) when it is simultaneously used to download data within the NETBOX INTERNET service with the speed higher than 100 Mbps, restrictions may be adopted with respect to the data volumes, speed or other quality parameters of the NETBOX INTERNET service ordered by the subscriber simultaneously with the NETBOX TELEVIZE service; those measures may have the following effects:
- 1) the NETBOX INTERNET service may be restricted (e.g. speed of data downloading) while the provision of the NETBOX TELEVIZE service will have preference to the provision of the NETBOX INTERNET service;
 - 2) the bandwidth for data downloading may be appropriately temporarily restricted;
 - 3) the temporary speed reduction and latency increase (response prolongation) will have an equal impact on all services which are accessed via the NETBOX INTERNET service, particularly the more data-intensive ones.
- Measures under this Section shall last throughout the overcapacity of the network termination point.
- 19 The subscriber confirms that where he/she/it uses the TELEVIZE service via the Internet network, technical parameters specified at http://www.netbox.cz/technicke_pozadavky_mobilni_kuki_tv must be fulfilled. The subscriber also confirms that providers of the Internet connectivity service may restrict availability of the TELEVIZE service provided via this network.

Article III COMPLAINTS AND DEADLINES FOR COMPLAINING

- 1 Any complaints shall be settled in accordance with these GTC and applicable legal regulations.
- 2 The subscriber or user, or a person authorized by the subscriber on the basis of a power of attorney containing officially verified signatures, may complain about an invoice with prices for the services or about the provided service (including complaints regarding the scope or quality of the services). Complaints shall be filed usually in writing at the address of the CSC (or at the address of its registered office) or by phone with the CC (it is recommended to file a complaint in person at the CSC or send it by recorded delivery). A complaint form available at www.netbox.cz/dokumenty can be used for this purpose. A complaint should include in particular: first name, surname or business name of the subscriber, address of permanent residence or registered office or place of business, address of the place of connection, contract number, description of the service complained about, description of defects; and, in case of a complaint against an invoice with prices for the provided services, the disputed amount and disputed period.
- 3 The subscriber may file a complaint about an invoice with prices for the services without undue delay, no later than within 2 months following the invoice delivery, failing which the right shall expire. Filing of a complaint shall have no suspensive effect and the subscriber is not exempt from the obligation to pay the price for the provided services complained about in full and on a due and timely basis.
- 4 The subscriber may file a complaint about the provided service without undue delay, however, no later than within 2 months from the date on which the defective service was provided, failing which the right shall expire.
- 5 The provider shall settle any complaint about an invoice or provision of services without undue delay, however, no later than within 1 months of the complaint receipt date. Where the complaint settlement requires discussion with a foreign operator, the provider shall settle the complaint no later than within 2 months of the complaint delivery date. The complaint settlement must be provably delivered.

- 6 Where the price is invoiced to the detriment of the subscriber, the provider shall refund the price difference to the subscriber within 1 month of the complaint settlement date, either in the form of a credit note, or in the form of a price advantage (discount) in the next invoice, unless agreed otherwise in writing.
- 7 Where the provider does not grant a complaint about an invoice or provided service, the subscriber may file a motion to initiate proceedings on an objection against claim settlement with the Czech Telecommunication Office without undue delay, however, no later than within 1 month from the date on which the complaint settlement was delivered. Details are laid down in the ECA.
- 8 The procedure of complaint settlement under this Article shall not apply to movable assets rented, borrowed or purchased from the provider (devices necessary for the use of the services). In such cases, the complaints shall be settled in accordance with the Civil Code.
- 9 The subscriber may turn to the provider with its objections concerning rights and obligations under the contract and objections against complaint settlement. The subscriber may also file the objections with the Czech Telecommunication Office.
- 10 The subscriber acknowledges that when settling complaints about the provided service under this Article III hereof, the provider strives to comply with the principles of network neutrality, i.e. to treat the whole operation in the provision of Internet access services equally, free of any discrimination, restriction or interruption and regardless of the sender and recipient, the accessed or disseminated contents, used or provided applications or services or used terminal equipment. Exceptions include particularly cases of implementation of transparent, non-discriminatory and objective measures of reasonable operation management.

Article IV CONTRACT, CONCLUSION, TERM AND TERMINATION THEREOF

- 1 **A contract shall come into force** on the date on which both parties sign it. The contract shall be signed by the subscriber or by a person authorized by the subscriber on the basis of a power of attorney containing officially verified signatures (the obligation to present the power of attorney with officially verified signatures applies also to all changes of the ordered services or termination of the contract, even in case of spouses). A draft contract, including these GTC, is available at all CSCs, including the provider's website www.netbox.cz/dokumenty.
- 2 **A contract shall take effect** on the date on which provision of the service starts (**service activation** date); in case of the TELEFON and Mobil services, the effective date may also mean the date on which the service is used for the first time; in case of thematic TV stations, the activation date, i.e. the contract effective date, may also mean the date on which the subscriber placed a phone order for a thematic TV station and the provider confirmed it. The Mobil service activation date shall mean the date of activation of the first SIM card specified in the contract. The subscriber must activate the Mobil service no later than within 30 days following the date of the service order confirmation by the provider, failing which the contract shall automatically terminate on the 31st day following the order confirmation date without any claims on the part of the subscriber. SIM card activation is subject to the payment of a refundable deposit (the SIM card will not be activated unless the deposit is paid). The SIM card will be activated no later than within 24 hours from an activation request. The activation request may be submitted via the infosite or by phone upon provision of the communication password.
- 3 Where the first contract between the subscriber and the provider was concluded in writing, other contracts and amendments may be concluded and changes of prices for service types may be carried out in a form other than the written one (electronically, by means of distance communication – e.g. over the phone with voice service or self-service). In such a case, the provider may ask the subscriber for his/her/its communication password or, where appropriate, for his/her/its alternative identifier to identify the subscriber; the contract (or amendment) shall usually take effect at the moment of its conclusion over the phone or, where appropriate, acceptance of changes by the subscriber; where the self-service is used, the contract (amendment) is concluded and the services are activated at the moment when the purchase PIN code is entered. When entering into contracts over the phone, the provider makes audio recordings of the calls, inter alia in order to enable verification of circumstances under which the contract was concluded.
- 4 Where the first contract with the subscriber is concluded in the absence of the provider or a person authorized by the provider (this form of entering into contracts is possible only with respect to the INTERNET service), the contract is concluded and signed in the electronic form where the subscriber fills in all data in the electronic version of the contract and sends the filled-in contract along with his/her/its approval of these GTC electronically to the provider ([specific procedure at www.netbox.cz/dokumenty](http://www.netbox.cz/dokumenty)) who shall confirm receipt of the contract to the subscriber and activate the service without delay. The provider shall inform the subscriber about activation simultaneously with a request to pay the refundable deposit for the services that may be, in this case, paid in person at the CSC or via the GoPay system (method of payment only by transfer to an account or by a payment card, always in accordance with the conditions laid down by GOPAY s.r.o., with its registered office at Planá 67, post code 370 01, Company ID No. 26046768), and the deposit must be paid no later than within 24 hours from the moment of sending the payment request. Where the subscriber fails to pay the refundable deposit within the said time limit (i.e. it is not paid in cash at the CSC or it does

- not credit the provider's account), the contract shall automatically terminate without any claims on the part of the subscriber.
- 5 The contract may be concluded, or more precisely signed, also using the **SignPad** device (a special tablet computer). Using this signing device, the subscriber signs the contract by his/her/its biometric signature that is based on unique characteristics of a manually signed signature (the final appearance of the signature as well as its other features are clear). The contract shall come into force on the date of its signing. Once the contract has been concluded, the signatures as well as the contract shall be encrypted and secured against changes; at the same time, the contract shall be sent to the subscriber to his/her/its contact e-mail along with the GTC. Other contracts between the provider and the subscriber may be also concluded in this form, particularly device lease contracts or loan contracts. A contract signed using the SignPad requires an express consent to the processing of subscriber's personal data in the form of a biometric signature in accordance with the conditions of Article VI(7) of the GTC.
 - 6 Where the **contract**, or contractual arrangements causing a change or termination of the contractual relationship with the subscriber who does not act within his/her/its business or other entrepreneurial activity (the consumer or the so-called household), **are concluded at distance** (via the infosite or outside the provider's business premises), the provider shall archive the contract for the time determined by the applicable legal regulations and the contract shall be available and filed at the provider's registered office. The subscriber shall be allowed to access the contract at request. This shall be without prejudice to the subscriber's right to receive the concluded contract or its amendment in the text form once it has been concluded. The contract may be concluded only in Czech language. Information on technical steps leading to the conclusion of the contract, on the possibility to detect and correct errors made when entering data before an order is sent off and other required information is available to the subscriber prior to the conclusion of the contract at the provider's infosite. When the contract is concluded via the infosite, the subscriber hereby gives the provider his/her/its express consent to set up the service without delay after conclusion of the contract. Where the contract is concluded between persons and in the manner specified in this Section, the subscriber shall be entitled to withdraw from the contract in writing without stating a reason thereof and without any sanction within 14 days of the contract conclusion date. As long as the provider has not provided the services, the subscriber may withdraw from the contract within 1 month. Withdrawal from the contract must be notified to the provider in writing. A form for withdrawal from the contract is available at www.netbox.cz/dokumenty and at the CSC. The subscriber shall pay a proportionate part of the price for the service for the time from the service set-up to the effective date of the withdrawal from the contract.
 - 7 The contract shall be concluded for an indefinite period of time or for a definite period of time specified in the contract according to the conditions of the specific service. Where the contract is concluded for a definite period of time and neither party expresses its will to terminate the contract before the term expires, the contract shall be extended for an indefinite period of time as long as the conditions for contract extension as laid down in the ECA are fulfilled (i.e. the provider informed the subscriber in advance of the contract extension and of the possibility to terminate the contract by a written manifestation of will delivered to the provider). Where the contract is concluded for a definite period of time, the subscriber shall use the service for the agreed period of time specified in the contract; a violation of this obligation shall be considered a breach of contractual conditions. The term of the contract shall be counted from the effective date of the contract.
 - 8 A contract concluded for a definite period of time shall be concluded with automatic extension of its term pursuant to Article IV(7) hereof. The subscriber shall have the right to waive the automatic extension of the contract for the future any time during the term of the existing contract.
 - 9 The subscriber as well as the provider may terminate the contract any time without stating a reason thereof by a written notice of termination (a notice form is available at www.netbox.cz/dokumenty and at the CSC). The period of notice shall be 1 calendar month and it shall start on the last day of the calendar month in which the notice of termination is served. The period of notice shall terminate upon expiration of the day whose designation is identical to the one on which the period of notice started. If the period of notice is to terminate on a day of the month which does not exist, it shall terminate on the last day of the month. The notice of termination must be served in writing to the address of the provider's CSC (i.e. in person at the CSC or sent by recorded delivery to the CSC address). A subscriber who is not a consumer shall have the right under this Section 8 only provided that he/she/it entered into a contract for an indefinite period of time.
 - 10 In the event the subscriber violates the contractual obligation to use the service for the term of the contract, the provider shall may charge the subscriber a contractual penalty in accordance with Article IIA(16) hereof.
 - 11 The subscriber shall have the right to terminate the contract without any sanction on the basis of a provider's notice of a substantial change of the contractual provisions or parts leading to a decline in the subscriber's position if the subscriber does not accept the new conditions. The provider shall notify the subscriber of the change in the form selected for the sending of invoices (infosite).
 - 12 Where a contract or amendment concerning the TELEFON or Mobil services is concluded, the contract shall cease to have effect also at the moment when the number is transferred to another provider of voice services (operator). Transferability of numbers shall be subject to the applicable provisions of the ECA, general measures issued by the Czech Telecommunication Office and the Conditions of Telephone Number Transferability published at www.netbox.cz/dokumenty, which form a part of these GTC. Where the TELEFON or Mobil service is a part of a *Balíček (Package)*, the contract for the Package shall not cease to have effect when the number is transferred but the

TELEFON or Mobil service will be disconnected; provision of and charging for other services forming a part of the Package shall continue.

- 13 Where a contract with a later date of conclusion fully replaces a previous one, subscriber's financial or other debts ensuing from the previous contract shall not terminate and shall be governed by the provisions of the previous contract *mutatis mutandis* (in such cases, the oldest of the provider's claims against the subscriber from any of the subsequent contracts shall be settled preferentially from payments made by the subscriber; this applies particularly in cases where the payment made is not clearly identified as a payment for a particular invoice, i.e. it is not provided with both the variable and the specific symbol applicable to the particular invoice).
- 14 When using the TELEFON or Mobil service via the provider's network, the subscriber shall be entitled to order services offered by other service providers (hereinafter referred to as the "third-party services") and pay the price of those services exclusively via the provider. It is a precondition for ordering third-party services that the subscriber's calls made to the numbers allowing access to the third-party services are not blocked. The subscriber orders a third-party service once a call to the telephone number specified in the other provider's (third party's) offer is put through. The subscriber shall pay the price for the ordered third-party services and agrees that the provider has the exclusive authorization to select the price. The provider shall indicate the price of third-party services in the invoice. Where a third-party service is not delivered on a due and timely basis, the subscriber shall not be exempt from the obligation to pay the service price to the provider. The provider shall not be responsible for third-party services or their defects and the subscriber may file complaints about those services exclusively with the third party (other provider of the service). The third party shall issue an invoice for the provision of these third-party services at the subscriber's express request; the provider is not authorized to issue invoices for third-party services provided by other providers. A list of other providers providing third-party services is available at www.netbox.cz/kontakty.
- 15 Either party may withdraw from the contract with immediate effect in the case of repeated violations of obligations ensuing from the contract and these conditions, the pricelist and/or other contractual arrangements, where the other party failed to rectify the situation within an additional time period. The withdrawal shall take effect in relation to the other party at the moment of the notice of withdrawal delivery.
- 16 The provider may withdraw from the contract particularly:
 - in case of the subscriber's default in payment of prices for the services or violations of other contractual conditions,
 - if the provider loses its authorization to provide the services under the contract,
 - if the contract between the provider and the owner of the relevant property regarding placement of technology enabling provision of services by the provider terminates,
 - if unforeseen circumstances preventing the provider from delivery of the ordered services occur in the installation of the network termination point,
 - the subscriber provided false information in the contract, failed to notify the provider of any change of the data in the contract or refuses to cooperate with the provider in the fulfilment of the contract without a justified reason.
- 17 The subscriber may withdraw from the contract particularly in the event that the delivery of services is interrupted, due to the provider's fault, for more than 120 hours in the course of a single calendar month or the provider fails to remove a defect of the services reported by the user within 3 business days or does not deliver the services at all. The aforementioned shall not apply if the interruption of or restriction on the provision of services or failure to remove a defect occurred or occurs for reasons on the part of the subscriber (i.e. in the event that provision of services to the subscriber has been restricted due to violation of his/her/its contractual obligations). The planned interruption of or restriction on the provision of services (i.e. repairs, adjustments, moving) of which the subscriber was informed in advance shall not be considered a defect of the service provision.

Upon termination of the contract, the provider shall disassemble its devices without undue delay and the subscriber/user shall cooperate in the disassembly. Where the subscriber/user does not allow the disassembly, the provider shall be entitled to compensation of damage incurred in this way.

Provisions of Article V(2) and (3) hereof shall apply accordingly to the invoice with the price of unreturned devices (i.e. particularly the invoice delivery and due date). Upon termination of the contract (including termination by withdrawal), the subscriber shall bear the costs related to the returning of any devices owned by the provider.

Special provisions on the TELEVIZE service propagated by special transmission systems.

- 18 The provider provides the TELEVIZE service also via the Internet network. The provider may expand the services to other mobile platforms. The TELEVIZE service is also provided without the simultaneous use of the INTERNET, TELEFON or BALÍČEK service. Purchase of the terminal equipment is not a precondition for the provision of the TELEVIZE service.

- 19 Where the terminal equipment for the use of the TELEVIZE service is purchased from a third party, the contract will be concluded upon activation of the equipment via the CC, terminal equipment interface or the infosite; provisions of these GTC shall apply accordingly.
- 20 The contract with a user who has entered into a contract with the provider (subscriber) may be activated and concluded by providing an ID (e-mail or contract number) and password (PIN or communication password).
- 21 A user who has not entered into a contract with the provider shall carry out the activation pursuant to Article IV(20) above; on registration, the subscriber shall enter his/her/its first name, surname, address of permanent residence, date of birth or birth certificate number, e-mail, password and phone contact.
- 22 Each user who activates the TELEVIZE service shall select the required type of service according to the offered range. The provider points out that the TELEVIZE service depends on the user's connection to the electronic communications network (Internet). Therefore, the TELEVIZE service may be restricted for reasons on the part of the connection network provider selected by the user.
- 23 The contract is concluded by entering the password or completing the registration, selecting the required type of service and confirming the approval of these GTC.
- 24 The user may present to the provider a scan of his/her identity card for contact data verification purposes.
- 25 Following the activation, the provider shall send the user (subscriber) the wording of the contract, including the GTC, pricelist and other parts of the contract in the electronic form to the user's contact e-mail.
- 26 The provider shall provide the TELEVIZE service free of charge for the first 14 days; within this period, the user shall have the right to withdraw from the contract pursuant to the provisions of these GTC applied mutatis mutandis.

Article V
PRICES FOR THE SERVICES, PAYMENT TERMS, PRICE INVOICING

- 1 The subscriber/user shall pay prices for the provided services in the amount according to the provider's pricelist valid on the date of the service provision unless agreed otherwise in the particular case. The provider's pricelist currently in force is available at the CSC and at www.netbox.cz/dokumenty; at these places, it is also possible to obtain up-to-date information on all applicable prices for the TELEFON service, including detailed information on price plans and their structure, including possible price plans for persons with low income, special needs and disabilities, as well as facts on information and operator services and phone directories. The provider reserves the right to unilaterally change the prices for the provided services as a result of changes of the applicable legal regulations (e.g. a change of the VAT rate) and, in case of telephone and mobile services, also as a result of changes in the prices of the suppliers of those services. If the subscriber is granted a discount from the price for a service, it shall mean a discount from the price for the service after deduction of the applicable VAT rate.
- 2 Payment of the price for the provided service shall mean that the price credits the provider's account (in case of payments by collection from an account, payments on the basis of a standing or one-time payment order), is deposited in cash at the provider's CSC or, in case of SIPO (Centralized Collection of Resident Payments), is paid at the post office. Unless the contract, pricelist or these GTC determine otherwise, prices for the services and all other amounts invoiced by the provider shall be due no later than within 15 days of the invoice delivery date. The method of payment of the prices for the provided services is agreed in the contract. The method of payment via SIPO cannot be used if the subscriber entered into more than one contract for the provision of services with the provider, i.e. each of the services is provided to the subscriber on the basis of a separate contract, and if the contract is concluded in the absence of the provider or a person authorized by the provider.
- 3 The provider shall submit the invoice with prices to the subscriber in the electronic form at the infosite and send it to the contact e-mail. At the subscriber's express request, the invoice with prices for the provided services (including prices for the TELEFON and Mobil services) will be submitted as a summary invoice containing a single item (at the same time, however, a detailed invoice for the service is available at the subscriber's infosite). The subscriber may change the invoice form to an invoice by the service type via the infosite, at the CSC or by a written request delivered to the provider. This invoice shall be submitted no later than by the 15th day of the calendar month following the one for which the invoice is issued. The provider may impose a fee on a printed copy of the invoice and its sending by mail in accordance with the current pricelist.
- 4 The KINO service is specified in the invoice as a separate item representing a sum of prices for the ordered titles from the videotheque in the relevant calendar month. A detailed statement of the titles ordered within this service (name of the title, date of granting the right to use the title, price of the title) is available at the infosite. A fee in accordance with the current pricelist may be imposed on preparation of a detailed statement in the printed form and its sending by mail.

- 5 Prices for the provided services shall be charged from the service activation date. The settlement period shall be a calendar month. Where it is ascertained upon/following the issue of an invoice that with respect of any service, an amount lower than the one corresponding to the actual provision of the service was charged (this applies particularly to telephone services, putting through to telephone numbers inquired via the 1180 service, roaming etc.), the provider may invoice the amount subsequently.
- 6 The subscriber shall be responsible for proper identification of any payments made, i.e. particularly for the correct number of the recipient's (provider's) account, variable and specific symbols; where this obligation is violated, the subscriber shall pay the costs related to payment identification, including the fees for finding and assigning an incorrectly identified payment. A partial payment shall be credited against a particular claim as long as the partial payment is properly identified, particularly by the variable and specific symbols; where a partial payment is identified inadequately, the provider may credit the payment against claims that are due at the earliest (the oldest ones), of which the subscriber expressly approves. The provider may use payments made by the subscriber by a standing payment order preferentially for settlement of its claims against the subscriber that are due at the earliest if the subscriber failed to specify the claim to be settled by the payment.
- 7 The form of payment of the prices for services and the fees as well as the types or parameters of the provided services may be changed at the subscriber's request, usually by an amendment to the contract. Either party shall notify the other one of a proposed change at the CSC or at the subscriber's infosite according to the procedure specified herein or, where appropriate, over the phone at least 30 days before the date on which the proposed change is to take place. These changes usually cannot be made more often than once a calendar month. The same procedure shall apply to changes of the ordered services according to the provider's current range; these changes cannot be made more often than once a calendar month and the change shall be usually made as of the first day of the calendar month following the one in which the request was delivered, unless determined otherwise with respect to individual services. The provider shall change thematic TV stations (provided against the so-called TV points) at the subscriber's request usually in the course of the day following the request filing date and only provided that the current number of TV points is maintained; the change cannot be made more often than upon expiration of one month following the date of the last change. The contract on thematic TV stations provided against payment (i.e. not for the so-called TV points) shall be always concluded for a definite period of time as specified in the contract or amendment. Specific possibilities of changes with respect to individual services as well as the change procedure are available at the infosite or at www.netbox.cz/moje_konto.
- 8 Where the subscriber paid the prices for the services to the provider in advance and subsequently did not use the services in connection with termination of the contract in the manner agreed between the parties, he/she/it shall be entitled to refund of a proportional part of the prices paid; this part shall be refunded at the subscriber's written request, however, not earlier than after the provider issues the last invoice.
- 9 Where the subscriber/user is in default in the payment of fees and fails to rectify the situation despite having provably received a reminder and having been granted an additional time period to do so, the provider may, in addition to termination of the contract, charge the subscriber/user interest on late payment at the rate according to the applicable legal regulations.
- 10 Special arrangements about payments in the form of subscription: where payment in the form of subscription (prepaid service) is agreed, the subscriber may use the services as long as he/she/it has deposited with the provider an amount equal at least to the minimum subscription specified in the contract. Those provisions of the GTC that cannot be applied in consideration of the nature of the subscribed services shall inherently not apply to the provision of prepaid services. The provider may restrict the provision of a prepaid service (or not provide any of the services – e.g. additional ones) to the subscriber unless the conditions for their use are fulfilled. Those conditions may include e.g. using-up the subscription or failure to replenish the subscription to the minimum amount pursuant to the contract within 14 days from the receipt of a provider's notice. The provider shall inform the subscriber of the restriction to the contact e-mail and via the infosite. Unless the subscription is replenished to the minimum amount pursuant to the contract within 3 months from the service restriction date, the provider may cancel the service and withdraw from the contract with the subscriber. The provider shall not be responsible for the subscription that is not used up.

Article VI COMMON AND FINAL PROVISIONS

- 1 All documents delivered in connection with the contract shall be also considered delivered on the date on which the postal item containing a document was returned to the sending party as undeliverable for any reason.
- 2 The subscriber shall not be authorized to transfer or assign his/her/its rights and obligations ensuing from the contract and these GTC to a third party without provider's prior written consent.
- 3 The parties shall settle any disputes concerning the subject matter of the contract preferably amicably outside legal, arbitration or administrative proceedings, i.e. they shall always make an attempt for such a settlement. In connection with amicable settlement of possible disputes arising from the contract or related to the provider's activity, the subscriber shall be entitled to turn to the Czech Telecommunication Office via the electronic form available at its website <https://www.ctu.cz/ochrana-spotrebitele>.

- 4 The parties shall maintain confidentiality of confidential facts and confidential information and information which form or may form a trade secret within the meaning of Section 504 of the Civil Code, which the parties learn in connection with the contract and its implementation as well as in the course of negotiations, and they shall not disclose the information or make it available to third parties without the other party's written consent (with the exceptions laid down by the applicable legal regulations).
- 5 The provider may change or amend the contract, pricelist and these GTC. The provider shall notify the subscriber of any change of the contractual conditions at least 1 month before the change takes effect and it shall do so in the form selected by the subscriber for the invoice sending purposes, at the infosite, by publishing at www.netbox.cz/dokumenty and at each of its establishments. The new contract, pricelist or GTC shall cancel and fully replace the previous contract, pricelist or GTC as of the effective date of the new wording. Where a significant change leading to a decline in the subscriber's position is concerned, the subscriber shall have the right to terminate the contract without any sanctions no later than by the effective date of the change. The subscriber shall not have the right to terminate if the change is brought about by an amendment of legal regulations or by a decision of the Czech Telecommunication Office.
- 6 The Parties agree and expressly confirm by their signatures in the contract that the provider may assign its rights and obligations ensuing from the contract as well as the contract as a whole to a third party; the subscriber grants its express consent to the assignment.
- 7 The provider may use any information and data, including **personal, operational or localization data**, concerning the subscriber as well as the user only in accordance with the applicable legal regulations of the Czech Republic. The provider shall not disclose the information to third parties, except for the third parties cooperating with the provider on a contractual basis, including economic, legal, business or other consultants and cooperating companies whose line of business is the recovery of claims, and with the exceptions laid down by law or with the exception of user's approval of the disclosure. Where the subscriber approves of this in the contract, the provider may collect, process, store and use ("**processing**") subscriber's personal data stated in the contract for the purposes of provider's information and accounting systems and for communication with the subscriber/user about provider's services and in connection with fulfilment of the subject matter of the contract, including the processing and disclosure of subscriber's/user's data stated in the contract for marketing and business purposes of the provider (including targeted advertising and survey of user's interest in individual types of services, inter alia via the set-top box and direct and indirect telemarketing), their disclosure to third parties in connection with recovery of claims and to third parties processing those data on the basis of a contract concluded with the provider in the extent necessary for the activities carried out by those parties for the provider; all for the term of the contract and, where appropriate, for the time of recovering the claims against the subscriber. The data shall be processed inter alia by automated systems, including their saving on data carriers. The provider shall be the administrator of the user's personal data. In the case of some locations and some methods of contract conclusion or service activation, the subscriber agrees that personal data are provided and processed by cooperating companies (personal data processors) whose current list is available at the website www.netbox.cz/kontakty.
- 8 The subscriber expressly agrees with the provision of his/her/its personal data to the Czech Television (i.e. a processor of the subscriber's personal data in this respect) in order to have verified whether or not the subscriber is a registered payer of the television fee in accordance with the applicable legal regulations. The subscriber has been informed of the fact that provision of personal data pursuant to Act No. 101/2000 Coll. is voluntary and the he/she/it is entitled to withdraw the consent any time.
- 9 The subscriber/user expressly agrees that in connection with the concluded contract, the provider may use and process the subscriber's birth certificate number; the subscriber/user gives his/her consent in accordance with Act No. 133/2000 Coll., on civil and birth certificate number registers, as amended, and may withdraw the consent any time. The subscriber/user shall have the right to information on personal data processed with respect to himself/herself.
- 10 Where the subscriber agreed with the sending of commercial messages in the contract within the meaning of Act No. 480/2004 Coll., on certain services of the information society, he/she/it grants the provider his/her/its consent to the sending of commercial messages to his/her/its current electronic address specified in the contract and hence agrees that his/her/its current electronic contact may be used for distribution of commercial communications and for sending electronic mail to disseminate commercial communications; the subscriber also agrees with the displaying of adverts or spots for the goods or services of the provider or third parties via his/her set-top box. The subscriber/user may withdraw the consent any time.
- 11 The subscriber/user grants the provider an express consent to process operational or localization data for the term of the contract in accordance with the ECA. The subscriber/user may withdraw the consent any time (this shall not apply to cases where the provider is obliged to process and store the concerned data in accordance with special legal regulations; in these cases, the provider shall be entitled to process and store the data for the time specified by legal regulations despite the fact that the subscriber has withdrawn the consent).

- 12 By providing his/her/its telephone number in the contract, the subscriber expressly agrees that the provider may use this telephone number to send notices regarding failures to fulfil contractual obligations.
- 13 The subscriber agrees that audio recordings can be made of his/her/its phone calls with the provider concerning the conclusion of the contract or fulfilment of the rights and obligations ensuing from the contract and its amendments for the purpose of provider's internal control of the services and improvement of their quality and for the purpose of recovery of claims from the contract against the subscriber.
- 14 Where the subscriber consented in the contract to publication of his/her/its data in a subscriber directory, the provider may publish his/her/its personal and identification data specified in the contract or provided by the subscriber in a subscriber directory and a database for the provision of information on telephone numbers, including the possibility to look up those data in their full extent. The provider shall process, store and deliver subscriber's identification data to an authorized person (universal service provider) for publication in a list of subscribers, the purpose of which is to look up detailed contact information about a person based on their name or minimum additional identifying data, or for the purposes of databases which are used as a basis to provide information about telephone numbers, and also in a subscriber directory of all entrepreneurs providing publicly available telephone services, all on the basis of the subscriber's consent and in the extent approved by the subscriber. At the subscriber's written request sent to the e-mail address given by the provider, the provider shall ensure publication, correction, deletion or non-publication of the subscriber's data in the phone directory upon its closest editorial revision free of charge. The subscriber confirms that he/she/it is familiar with the subscriber directory and the list of subscribers, including their electronic versions and purpose, as well as with other possible applications of the data based on the search functions in the electronic versions of the subscriber directory. Telephone directories shall be available at request from the universal service provider and at specified distribution points on dates notified in advance.
- 15 In case of any discrepancy between the Czech language version and any other language version of the GCT, the Czech version shall always prevail.
- 16 Issues not expressly provided for by the contract or these GTC shall be governed by the applicable legal regulations, particularly the ECA and the Civil Code.
- 17 These GTC are executed in two copies, of which the provider and the subscriber shall receive one each.
- 18 These GTC shall take effect on 1 May 2016. Provisions of Article IV(8) shall not apply to the subscribers who are not consumers and who have entered into a valid contract for a definite period of time as of the effective date hereof. The amount of the contractual penalty pursuant to Article IIA(16) shall apply to the subscribers who are not consumers and who have entered into a valid contract for a definite period of time as of the effective date hereof just like to the subscribers who are consumers.
- 19 The parties consider the following arrangements potentially surprising and the subscriber expressly approves of them in this context:
 - 1) arrangement on the contractual penalty pursuant to Article IIA(2) and (16) hereof; and
 - 2) automatic extension of the contract and its change to a contract for an indefinite period of time pursuant to Article IV(7) and (8) hereof.

In Brno, 1 April 2016

SMART Comp. a.s.
Marek Bukal, MBA, Chairman of the Board