

1. SCOPE

1.1. These Special Conditions apply to the acceptance of transactions by using the Dynamic Currency Conversion (DCC) service, which is offered by KB SmartPay in cooperation with a dedicated third party (the so-called "DCC Provider").

2. FUNCTIONING OF DCC

2.1. DCC is available for all Cards of Visa and MasterCard.

2.2. KB SmartPay will not charge the Merchant any setup costs or other periodical costs for using the DCC service. In addition, the Merchant is not required to generate a minimum volume.

2.3. The DCC service is offered for the currencies selected on the Order Form/Cover Document/webpages www.kbsmartpay.cz, to which the Mark-up percentage set forth on the Order Form/Cover Document shall apply, and for which the Merchant will receive the Kick-back percentage set forth on the Order Form/Cover Document.

2.4. DCC transactions will always be paid out to the Merchant in the Merchant's own currency even though they will be processed in the Cardholder's currency. In accordance with the rules of Visa and MasterCard, this shall also apply to cancellations and refunds of a DCC transaction.

2.5. DCC transactions will be paid to the Merchant with the same frequency and speed as non-DCC transactions.

2.6. When calculating the Kick-back, a commission fee shall be deducted. No Kick-back will be granted for unsuccessful DCC transactions.

2.7. The Merchant must indicate his preferred DCC Provider on the Order Form/Cover Document, which will then be appointed for delivering the DCC service. KB SmartPay shall, however, have the right to appoint any other DCC Provider without the Merchant's prior approval. KB SmartPay shall communicate this appointment to the Merchant before the new DCC Provider starts delivering the service.

2.8. The Merchant shall strictly comply with the rules of Visa and MasterCard with

respect to the DCC service. The Merchant shall in particular ensure that the Cardholder is always given an objective choice to execute the transaction either in the Merchant's currency, or to have it converted to the Cardholder's currency by virtue of the DCC service. In addition, all essential elements (such as the transaction amount in the Merchant's currency, the transaction amount in the Cardholder's currency, the mark-up, the exchange rate, as well as the source of the exchange rate - i.e. the DCC Provider) shall be clearly communicated to the Card holder before the transaction is confirmed, so that the Cardholder can make an informed choice. This information must also be printed on the transaction ticket / invoice, together with the disclaimer imposed by Visa and MasterCard.

2.9. The DCC service can only be applied to sales transactions, and not to any pre-authorizations or reservations. The DCC service can also be used for cancellations and re-funds.

2.10. The Merchant is responsible for every dispute submitted by the Cardholder (and the possible debiting that would follow) relating to DCC transactions that were not executed with the Cardholder's free choice and/or that lacked the information set forth in clause 2.8.

2.11. KB SmartPay and the DCC Provider will use reasonable efforts to make the DCC service available without any interruption. The Merchant accepts, however, that unavailabilities can occur, in which case transactions need to be executed in the transaction currency of the Merchant.

3. DEFINITIONS

- **DCC (Dynamic Currency Conversion):** the service that consists of converting the transaction amount in the Merchant's currency to the currency used in the statements received by the Cardholder from the Card issuer. The currency of the Cardholder will thereby become the transaction currency. The currency of the Cardholder will be identified on the basis of the Card number.
- **DCC Provider:** the third party who, at

KB SmartPay's request, defines and updates the Reference Rates of the various currencies, and provides the functionality to extract the Cardholder's currency from the first six digits of the Card number.

- **Kick-back:** the commission fee received by the Merchant for every successful DCC transaction. By virtue of the Kick-back, the Merchant will have a share in the revenue generated by KB SmartPay and the DCC provider for every currency conversion. No Kick-back will be granted for unsuccessful DCC transactions.
- **Reference Rate:** the base exchange rate to which the Mark-up is applied. The Reference Rate shall be defined by the DCC Provider.
- **Mark-up:** the percentage that is added to the Reference Rate in order to arrive at the exchange rate that is used to convert the Merchant's currency to the Cardholder's currency.