



## GENERAL RULES FOR FOREIGN PAYMENTS (effective as of December 17th, 2018)

The terms used in these Rules have the following meaning:

1. **Bank** – mBank S.A.,
2. **Client** – a natural person, legal person or organisational unit without legal personality, provided it has legal capacity, being a holder of current or auxiliary bank account operated by the Bank,
3. **beneficiary's bank** – a bank or bank's branch, financial institution or international financial institution operating the beneficiary's bank account or releasing funds for the beneficiary,
4. **correspondent bank (intermediary bank)** – a domestic or foreign bank operating an account in convertible currencies for the benefit and on behalf of the Bank or a bank holding its account in convertible currencies with the Bank, taking part in the processing of foreign payments,
5. **ordering bank** – a bank or bank's branch, financial institution or international financial institution receiving the ordering customer's order to transfer a certain amount of money to the beneficiary,
6. **beneficiary customer** – a natural person, legal person or organisational unit without legal personality, provided it has legal capacity, being a recipient of the funds underlying the payment transaction,
7. **ordering customer** – a natural person, legal person or organisational unit without legal personality, provided it has legal capacity, making a payment order to transfer the funds,
8. **value date** – a moment in time determining the Banks' accrual of interest on the funds credited to or debited against the bank account,
9. **business day** – a day from Monday to Friday when the Bank pursues its business activity, excluding statutory holidays,
10. **cut-off time** – an hour specified in the table of cut-off times when the Bank stops to accept certain payment orders for execution on a given business day,
11. **IBAN** – a unique International Bank Account Number used for cross-border settlements. A number in the IBAN standard is made up of characters where the first two are the country code, the subsequent two are check digits followed by thirty alphanumeric characters illustrating sequential number of the bank account whose length depends on a specific country,
12. **NRB** – a unique Bank Account Number used for domestic settlements, defined in Regulation No. 15/2010 of the President of the National Bank of Poland on the method of numbering bank accounts operated by banks dated 15 July 2010. A number in the NRB standard is made up of twenty-six digits i.e.: two digits followed by eight digits of the sort code and sixteen digits being sequential number of the bank account,
13. **SWIFT/BIC code** – an identification code assigned to an institution made up of eight or eleven characters both digits and letters, used in transfers for the identification of the ordering bank and/or beneficiary's bank,
14. **Branch** – an organisational unit of the Bank operating the Client's bank account,
15. **force majeure** – unpredictable events independent of the Bank, which the Bank cannot prevent or predict, which directly or indirectly led to the non-performance or improper performance of an agreement by the Bank; the force majeure is construed as events due to, among other things, activities of the government, riots, unrest, uprisings, wars, strikes, acts of terrorism, natural disaster, breakdown of telecom lines or Internet access, or involuntary break in communication,
16. **SWIFT** – the International Interbank Electronic Communications System,
17. **TARGET2 System** – the Trans-European Automated Real-time Gross Settlement Express Transfer System (in EUR),
18. **SEPA System** – the Single Euro Payments Area – an area where citizens, entrepreneurs and other entities may perform cashless settlements in EUR within the territory of the member states of the European Union plus Iceland, Liechtenstein, Norway and Switzerland, including cross-border and domestic payments, under the same rules, legal regulations and obligations,
19. **table of exchange rates** – the table of exchange rates applicable at the Bank which presents a list of buying, selling and fixing rates for foreign currencies used in cash and cashless settlements, available on the website of the Bank and published in the Bank's Branches, applicable on the day and from the hour of its publishing to transactions concluded on that day,
20. **Tariff** – "Tariff of banking fees and commissions of mBank for SME and Corporates",
21. **Payment Services Act (PSA)** – act of 19 August 2011 governing the rules for rendering payment services,
22. **Foreign Exchange Law** – legal standards governing international foreign exchange, domestic trading in foreign-currency values as well as business activity pertaining to the purchase and sale of foreign-currency values and to agency in their purchase or sale,
23. **incoming foreign payment** – a payment / transfer order for a certain amount of money to be credited to a specified account of the beneficiary received from a foreign bank in a foreign currency / PLN or in a foreign currency from a domestic bank,
24. **outgoing foreign payment** – a payment / transfer order for a certain amount of money sent to a foreign bank in a foreign currency / PLN or in a foreign currency to a domestic bank on the basis of the ordering customer's order,
25. **EuroExpress Transfer** – a transfer order in EUR for a certain amount of money to be credited to a specified account, sent to a foreign or domestic bank, being the participant in the TARGET2 system, on the basis of the ordering customer's order,
26. **Incoming SEPA Credit Transfer** – a transfer order in EUR for a certain amount of money to be credited to a specified account of the beneficiary, received from a foreign or domestic bank via the SEPA system,
27. **Outgoing SEPA Credit Transfer** – a transfer order in EUR for a certain amount of money to be credited to a specified account, sent to a foreign or domestic bank, being the participant in the SEPA system, on the basis of the ordering customer's order,

28. **order** – an order for an incoming foreign payment, outgoing foreign payment, SEPA Credit Transfer, EuroExpress Credit Transfer,
29. **Electronic distribution channels** – mBank CompanyNet, BRESOK, Multicash, SwiftNet systems through which the Bank accepts payment orders.

### **I. General rules for incoming foreign payments**

1. This chapter sets out rules governing the Bank's execution of incoming foreign payments.
2. An incoming foreign payment is an order expressed in PLN and received from a foreign bank, or expressed in a foreign currency and received from a domestic or a foreign bank, with an instruction to:
  - a) credit the indicated Client's account with a certain amount of money, or
  - b) pay cash for the benefit of the indicated beneficiary, or
  - c) transfer funds to the beneficiary's account held with another bank.
3. The Bank executes incoming foreign payments:
  - a) automatically (without the Bank's manual interference), and
  - b) manually.
4. Transfer from abroad or a foreign currency transfer from other domestic bank to a Client holding an account with the Bank is settled automatically if:
  - 1) there is a positive automatic verification of the payer's and beneficiary data performed in accordance with the Regulation (EU) 2015/847 of the European Parliament and of the Council,
  - 2) the IBAN account number indicated in the transfer is correct, and
  - 3) the currency of the account and the currency of the inflowing funds are the same, or if booking on the account is made automatically, with appropriate exchange rate applied in accordance with the valid table of exchange rates at the Bank (currency exchange transaction is executed if as a result of automatic search of the Client's main account in the currency of inflowing funds the account was not identified and credited).
5. The Client is identified by a unique IBAN.
6. The Bank executes incoming foreign payments, regulated by the Payment Services Act dated 19 August 2011, by crediting the beneficiary's account on the day of the inflow of funds in the Bank's current account by the end of the business day, if the day is a business day for the Bank.
7. The Bank executes incoming foreign payments, not regulated by the Payment Services Act dated 19 August 2011, by crediting the beneficiary's account on the day of the inflow of funds in the Bank's current account, if the day is a business day for the Bank and the message was received by the Bank within the applicable cut-off times. If the Bank receives the payment with the current value date after the applicable cut-off time, the payment will be treated as an order received on the next business day and will be booked with the value date of the next business day.
8. If the execution of an incoming foreign payment requires additional specification due to imprecise instructions in the order or non-standard arrangements with the Client, the Bank credits the Client's bank account on the earliest business day for the Bank on which the order may be executed.
9. The Bank is not liable for failure or delay in the execution of the incoming foreign payment if the aforesaid is due to:
  - a) the ordering customer or beneficiary customer,
  - b) the ordering bank or the correspondent bank,
  - c) force majeure,
  - d) restrictions under the provisions of the law.
10. The Bank charges the fee for the execution of an incoming foreign payment in the amount and under the rules stipulated in the Tariff. The fee is debited separately and does not reduce the order amount.
11. All the additional measures related to correct settlement of an incoming foreign payment are undertaken by the Bank under the rules stipulated in the Tariff.

### **II. General rules for outgoing foreign payments**

1. This chapter sets out rules governing the execution of outgoing foreign payments.
2. An outgoing foreign payment is an order with instructions for the beneficiary's bank to pay or transfer a certain amount to the designated beneficiary's account, addressed to a foreign bank in PLN or to a domestic or a foreign bank in a foreign currency.
3. The execution of an outgoing foreign payment takes place once the Client files, in paper form or online, a complete and correctly filled out foreign payment order.
4. Conditions for the execution of outgoing foreign payments:
  - 1) placement of a correct payment order by the authorised person, with the following data:
    - a) number of the Client's account from which the funds are to be transferred,
    - b) name and address of the Client in the case of an instruction placed in paper form,
    - c) number of the beneficiary's account to which the funds are to be credited – in the case when the transfer goes to the EU state, the IBAN standard is recommended,
    - d) name and address of the beneficiary,
    - e) SWIFT/BIC code of the beneficiary's bank or the full name of the beneficiary's bank – it is recommended that SWIFT/BIC code is given,
    - f) transfer currency and amount,
    - g) transfer title,
    - h) order release mode,
    - i) cost option – if the transfer goes to the state subject to the Act dated 19 August 2011 - SHA is only one option,
    - j) execution date.
  - 2) authorisation of the payment order by the Client which means his consent to the payment execution:
    - a) in the case when the order was placed at the Bank in paper form, submission of a document confirming the data identifying the person submitting the order and consistency of the signature put on the payment order with the signature specimen card submitted to the Bank,
    - b) in the case when the order was placed via electronic distribution channels, acquisition of confirmation that the order, defined by specific procedures of a given application, has been authorised.
  - 3) guaranteeing funds in the account sufficient to execute the payment and settle fees and commissions due the Bank on the order execution date.

5. Depending on the transaction currency and the Client's decision, the Bank executes payments in the following modes:
  - 1) STANDARD – order release mode on the value date for the beneficiary's bank D+2, where D stands for the date of executing the Client's payment order by the Bank.
  - 2) URGENT – order release mode on the value date for the beneficiary's bank D+1, where D stands for the date of executing the Client's payment order by the Bank.
  - 3) EXPRESS – order release mode on the value date for the beneficiary's bank D, where D stands for the date of executing the Client's payment order by the Bank.
6. In the case of credit transfers subject to the Payment Services Act dated 19 August 2011, the maximum settlement period totals 1 business day (D+1) for transactions settled in the currencies of UE countries, from the execution date of the Client's order by the Bank. The detailed information about the mode availability depending on the transaction currency is specified in the current Tariff.
7. The Bank executes the Client's orders taking into account the set cut-off time. Orders placed by the cut-off time are executed on the same business day provided the Client has funds at the Bank for executing the order. Orders placed after the cut-off time are executed on the next business day for the Bank.
8. The Bank executes outgoing foreign payments using the following cost options:
  - 1) SHA – commissions and fees are incurred by both the ordering customer and the beneficiary customer (the ordering customer incurs fees and commissions charged by the Bank, and the beneficiary incurs all the other fees and commissions),
  - 2) OUR - fees and commissions are incurred only by the ordering customer,
  - 3) BEN – fees and commissions are incurred only by the beneficiary (the Bank debits the ordering customer's account determined in a foreign payment with the full amount of the order and decreases the amount of the order by the fees and commissions due to the Bank and incurred by the beneficiary).
9. Foreign payments subject to the Payment Services Act dated 19 August 2011 are executed using only SHA option.
10. Under the law, if such a need arises, the Client is obliged to present the Bank with relevant documents which concern an outgoing foreign payment in the form, content and by dates specified in the relevant provisions.
11. The Bank may refuse to execute an outgoing foreign transfer, in particular, if:
  - 1) it is not possible to confirm unambiguously the identity of the person placing the order or the person presents a restricted ID document when the verification of the ID document is required,
  - 2) invalid or incomplete information has been provided, the required data are missing or the data in the order are inconsistent with the data possessed by the Bank, including the specimen signature card,
  - 3) the bank account number does not meet the requirements stipulated for NRB/IBAN standard in respective provisions,
  - 4) there are no funds available in the bank account to execute orders,
  - 5) there are no funds for fees due to the Bank related to the order placed,
  - 6) the authorised bodies issue a ban on payments from a given bank account,
  - 7) the Bank's IT system breaks down and the order cannot be executed correctly,
  - 8) the order violates provisions of the law, including these on counteracting money laundering and terrorism financing and the applicable EU provisions,
  - 9) in its opinion, there is a reasonable probability that a foreign payment may not be executed due to the political or economic situation of the country where the beneficiary's bank is located or due to reasons attributable to that bank or intermediary banks.
12. The Bank notifies the Client about the refusal to execute the order and reasons behind this fact promptly upon their determination.
13. If the Bank receives a return, it acts in line with the rules applied to incoming foreign payments.
14. The Bank is not liable for failure or delay in the execution of an order for reasons beyond the Bank's control, and in particular due to force majeure.
15. The Bank executes a foreign payment based on beneficiary's bank data provided by the Customer.
16. The Bank has the right to choose a bank through which the order is processed and the intermediary bank also has the right to use the intermediation of other banks.
17. The Bank is not liable for consequences arising from incorrect or illegible data in the outgoing foreign payment order.
18. The Client assumes all the obligations and consequences arising from the execution of the payment by correspondent banks participating in the execution of the order observing the rights and customs of the country of those banks.
19. The Bank charges the fee and commission for executing an outgoing foreign payment in the amount and under the rules stipulated in the Tariff. The fees and commissions are charged separately and do not reduce the order amount except for orders with BEN option.
20. All the additional measures related to correct settlement of an outgoing foreign payment are undertaken by the Bank under the rules stipulated in the Tariff.

### **III. Rules for EuroExpress Transfers**

1. This chapter sets out rules governing the execution of outgoing EuroExpress Transfers in EUR.
2. A EuroExpress Transfer is a transfer executed with the D value date in EUR and sent to the beneficiary's account operated by the bank on the territory of the EU (also to another domestic bank) which is a participant in the TARGET2 system.
3. The Bank executes the EuroExpress Transfer once a complete and correctly filled out electronic order is sent from the Client's account maintained in EUR.
4. Conditions for the execution of EuroExpress Transfers:
  - 1) placement of a correct payment order by the authorised person via mBank CompanyNet or BRESOK electronic banking systems, with the following data:
    - a) beneficiary's bank account number in the IBAN standard,
    - b) SWIFT/BIC code of the beneficiary's bank (participant in the TARGET2 system),
    - c) defined cost option – SHA (i.e. costs of the transferring bank are covered by the ordering customer, while costs of third party banks are covered by the beneficiary)
  - 2) authorisation of the payment order by the Client which means his consent to the payment execution.
5. At the time of debiting his/her account with the amount of the executed order, the Client is obliged to hold funds in the bank account in the amount at least equal to the order amount plus fees or commissions due to the Bank.
6. The Bank executes the EuroExpress Transfer taking into account the set cut-off time. Orders placed by the cut-off

time are executed on the same business day provided the Client has funds at the Bank for executing the order. Orders placed after the cut-off time are executed on the following business day for the Bank.

7. If the Bank receives a return, it acts in line with the rules applied to incoming foreign payments.
8. The Bank may refuse to execute the EuroExpress Transfer, in particular, if:
  - 1) there are no funds available in the bank account to execute orders,
  - 2) there are no funds for fees due to the Bank related to the order placed,
  - 3) the authorised bodies issue a ban on payments from a given bank account,
  - 4) the Bank's IT system breaks down and the order cannot be executed correctly,
  - 5) lack of required data indicated in point 4 item 1,
  - 6) the order violates provisions of the law, including these on counteracting money laundering and terrorism financing and the applicable EU provisions,
  - 7) in its opinion, there is a reasonable probability that a foreign payment may not be executed due to the political or economic situation of the country where the beneficiary's bank is located or due to reasons attributable to that bank or intermediary banks.
9. The Bank informs the Client of a refusal to perform an order from a bank account and its causes immediately after they have been determined.
10. The Bank is not liable for failure or delay in the execution of the order for reasons beyond the Bank's control, and in particular due to force majeure.
11. The Bank charges the fee for executing the EuroExpress Transfer in the amount and under the rules stipulated in the Tariff. The fee is debited separately and does not reduce the order amount.
12. All the additional measures related to correct settlement of the EuroExpress Transfer are undertaken by the Bank under the rules stipulated in the Tariff.

#### **IV. Rules for incoming SEPA Credit Transfers**

1. This chapter sets out rules governing the execution of incoming SEPA Credit Transfers in EUR.
2. An incoming SEPA Credit Transfer is a credit transfer in EUR to the Bank via the SEPA settlement system.
3. The Bank executes the incoming SEPA Credit Transfer if the Client holds a bank account with the Bank. The execution of the SEPA Credit Transfer requires that the ordering customer indicates the Client's account number in the IBAN standard.
4. The Bank executes the SEPA Credit Transfer by crediting the Client's account on the day of the inflow of funds in the Bank's current account by the end of the business day, if the day is a business day for the Bank.
5. When the execution of the SEPA Credit Transfer requires additional specification due to imprecise instructions in the order or non-standard arrangements with the Client, the Bank credits the Client's bank account on the next business day for the Bank on which the order may be executed.
6. The Bank charges the fee determined for incoming foreign payments for the incoming SEPA Credit Transfer in line with the Tariff. The fee is debited separately and does not reduce the order amount.

#### **V. Rules for outgoing SEPA Credit Transfers**

1. This chapter sets out rules governing the execution of outgoing SEPA Credit Transfers in EUR.
2. An outgoing SEPA Credit Transfer is a payment in EUR executed by the Bank via the SEPA settlement system.
3. The Bank executes the SEPA Credit Transfer once a complete and correctly filled out SEPA order in an electronic form is sent from the Client's account maintained in EUR.
4. Conditions for the execution of outgoing SEPA Credit Transfers:
  - 1) placement of a correct payment order by the authorised person via mBank CompanyNet, BRESOK electronic banking systems, MultiCash or SwiftNet, with the following data:
    - a) beneficiary's bank account number in the IBAN standard,
    - b) defined cost option – SHA (i.e. costs of the transferring bank are covered by the ordering customer, while costs of third party banks are covered by the beneficiary),
  - 2) authorisation of the payment order by the Client which means his consent to the payment execution.
5. At the time of debiting his account with the amount of the executed order, the Client is obliged to hold funds in the bank account in the amount at least equal to the order amount plus fees or commissions due to the Bank.
6. The Bank executes the Client's order taking into account the set cut-off time. Orders placed by the cut-off time are executed on the same business day provided the Client has funds at the Bank for executing the order. Orders placed after the cut-off time are executed on the following business day for the Bank.
7. The maximum period for the SEPA Credit Transfer settlement is 1 business day (D+1) from the execution date of the Client's order by the Bank and depends on the execution of the instruction by the beneficiary's bank.
8. The Bank may refuse to execute the SEPA Credit Transfer, in particular, if:
  - 1) there are no funds available in the bank account to execute orders,
  - 2) there are no funds for fees due to the Bank related to the order placed,
  - 3) the authorised bodies issue a ban on payments from a given bank account,
  - 4) the Bank's IT system breaks down and the order cannot be executed correctly,
  - 5) lack of required data indicated in point 4 item 1,
  - 6) the order violates provisions of the law, including these on counteracting money laundering and terrorism financing and the applicable EU provisions,
  - 7) in its opinion, there is a reasonable probability that a foreign payment may not be executed due to the political or economic situation of the country where the beneficiary's bank is located or due to reasons attributable to that bank or intermediary banks.
9. The Bank informs the Client of a refusal to perform an order from a bank account and its causes immediately after they have been determined.
10. The Bank is not liable for failure or delay in the execution of the order for reasons beyond the Bank's control, and in particular due to force majeure.
11. The Client may recall the executed SEPA Credit Transfer.
12. The SEPA Credit Transfer Recall (Recall message) may be ordered only via the mBank CompanyNet and BRESOK electronic banking systems up to 13 months from the date of the order settlement for three reasons:
  - 1) wrong IBAN,
  - 2) wrong amount,

- 3) other reason.
13. The beneficiary's bank, upon receipt of the Recall message has 10 days for:
- sending a refusal, or
  - sending the order return.
14. In the case of the order return due to the execution of the SEPA Credit Transfer Recall, the beneficiary's bank has the right to charge the fee reducing the amount of the original order.
15. For the execution of the SEPA Credit Transfer and for sending the SEPA Credit Transfer Recall, the Bank charges the fee in line with the Tariff. The fee is debited separately and does not reduce the order amount.

## CUT-OFF TIMES FOR FOREIGN PAYMENT ORDERS

Order type - Outgoing foreign payments	Cut-off time	Execution date
Outgoing foreign payment orders	Day D by 2:00 PM	Day D
	Day D after 2:00 PM	Day D+1
SEPA Credit Transfer and EuroExpress Transfer (refers to the orders placed only via electronic banking systems)	Day D by 3:00 PM	Day D
	Day D after 3:00 PM	Day D+1
Order type - Incoming foreign payments	Cut-off time	Execution date
Incoming foreign payment orders including the Incoming SEPA Credit Transfer, settled by the Bank automatically	Day D - by the end of the business day for the Bank	Day D *
Incoming foreign payment orders settled by the Bank manually	Day D by 3:30 PM	Day D *
	Day D after 3:30 PM	Day D+1 *
<i>* Payment orders are booked at given business day for the Bank with the value date indicated in the incoming message. The Bank does not make bookings in the Client's bank account on the date before the order execution date.</i>		