

## **MIRABANK A.D.**

### **GENERAL TERMS AND CONDITIONS FOR LEGAL ENTITIES**

#### **I. INTRODUCTORY PROVISIONS**

The General terms and conditions of Mirabank a.d. (hereinafter: the Bank) prescribe the standard conditions under which the Bank accepts deposits, approves credit products, provides payment services, factoring, engages into communication and performs other services involving the clients of the Bank.

The clients of the Bank are legal entities, residents and non-residents, as well as the branches of legal entities which use or have used the services of the Bank or which approach the Bank aiming to use its services and which have been identified as such by the Bank (hereinafter: the Client). The term legal person, within the meaning of these General Terms and Conditions, includes domestic and foreign legal entities that are registered and existing in accordance with the regulations of the country where their head office is located.

In business premises of the branches, in a visible place, the Bank shall be obliged to publish the copies of the General Terms and Conditions in Serbian and English language, as well as on the Bank's website [www.mirabankserbia.com](http://www.mirabankserbia.com) so that the Clients would be able to familiarize themselves with the contents thereof.

In addition to publishing in the above-mentioned manner, the Bank allows the Client to be acquainted with the General Terms and Conditions in whole or in part in relation to a particular banking product, at the request of the Client, by handing over a copy of the General Terms and Conditions to the Client, in writing or on another durable medium, and provides him with an explanation and instructions related to the specific product of the Bank.

The Bank will apply the General Terms and Conditions to the relations between the Bank and the Client arising from the written contract between the Bank and the Client, the application form or other document signed by the Client in accordance with the Bank's document, as well as to other forms of business cooperation between the Bank and the Client established in accordance with current legislation and documents of the Bank and without entering into a separate written agreement.

#### **II. BUSINESS RELATIONSHIP**

The business relationship between the Client and the Bank is established by concluding a written agreement or by filling out the request, application form or other document without concluding a separate agreement, in accordance with applicable rules and regulations of the Bank, in a way that involves mutual agreement on mutual rights and obligations (hereinafter: the contract).

The changes of the provisions of the contract concluded between the Client and the Bank shall be made by amendments to the General Terms and Conditions and the Price List, which form an integral part of such contracts.

The Bank shall inform the Client at least 15 days before the beginning of the application of such amended General terms and conditions and the Price Lists.

### **III. THE RIGHTS, OBLIGATIONS AND RESPONSIBILITIES OF THE BANK**

Based on the assessment of the competent services of the Bank and decisions of its bodies, in accordance with its procedures, the Bank has the discretion to freely choose the Clients to enter into a business relationship with, including the discretion to refuse to conclude the contract. In such a case, the Bank is not under the obligation to provide the Client with an explanation of the reasons for refusal.

Unless expressly agreed otherwise in writing, the Bank does not assume obligations and responsibilities other than those regulated by the General Terms and Conditions.

The Bank is not liable for damage in the following cases:

- If the damage occurs due to a force majeure, war, state of emergency, strike, or due to any other circumstances beyond the Bank's control;
- If the damage results from actions taken by the competent government authorities in the country or abroad, or as a consequence of hindering of the Bank's operations, which the Bank could not foresee, prevent or avoid;
- If the damage results from the Client's business decisions made based on oral or written communication with the Bank;
- In the case of any direct, consequential, unforeseen, special or indirect losses or other damages incurred by the Client as a result of any activity of a third party engaged by the Bank;
- In the case of any direct, consequential, unforeseen, special or indirect losses or other damages incurred by a third party in relation to the Client as a result of any activity of the Bank;
- If the damage is caused by non-compliance with laws and regulations by the Client;
- if the damage is due to the fact that the Bank has, due to important reason, completely or partially suspended or limited its operations on certain days or for a specific period of time.

The Bank is not obliged to check the accuracy, completeness or validity of documents, either of local or foreign origin, being sent to the Bank or found in its possession, relating to the appointment of authorized representatives, guardians, trustees and recipients in case of bankruptcy or other administrators, in accordance with the General terms and conditions and the relevant legislation.

The Bank reserves the right to begin to carry out its obligations regarding the transactions concluded with the Client on the next working day if such obligations fall on a non-working day or a day when the Bank does not operate.

For the purpose of collecting its due receivables, the Bank may automatically, without requesting a special permission from the Client, collect the amount from all accounts of the Client kept with the Bank, transfer the unpaid amount to the account of the Bank, and activate all security instrument provided to the Bank.

The Bank is authorized to dispose with the funds on the Client's account without a specific consent of the Client or order in the process of forced collection, for payments under final and executive decisions of the court and other state authorities, as well as in other cases foreseen by current regulations.

Without the consent of the Client, the Bank has the right to block the possibility of using the services and/or products, partially or in full, in accordance with the applicable regulations governing the prevention of money laundering and financing of terrorism and alike, as well as due to other justified reasons or in accordance with other applicable regulations and decisions of the competent authorities, including, but not limited, to the cases of abuse of account and/or other banking products.

The Bank reserves the right to enter into a business relationship with the Client in relation to the products of the Bank under conditions other than those specified in these General Terms and Conditions, the Price List and/or other general acts of the Bank.

The Bank notifies the Client that the occurrence of events such as floods, fires, earthquakes, natural disasters, acts of terrorism, vandalism, threats, demonstrations, sabotages, wars, long periods of power outage, telecommunication issues, and any such other similar event over which the Bank has no control, may lead to temporary disruptions in the provision of services and the Bank's ability to perform activities in any area of its operations. Should such events occur, the Bank hereby notifies the Client that in such situations the Bank's internal act shall apply, said internal act relating to business continuity and disaster recovery, and that the Bank shall undertake all necessary steps to re-establish regular operations as soon as possible.

#### **IV. THE RIGHTS, OBLIGATIONS AND RESPONSIBILITIES OF THE CLIENT**

The Client has the right to request from the Bank all the relevant information and to receive appropriate explanations and instructions concerning the immediate application of the General terms and conditions and the concrete banking products.

For the purpose of establishing a business relationship or identification, the Client shall be obligated to submit to the Bank all the necessary documentation required by applicable regulations and acts of the Bank.

The Client shall without delay and no later than within three (3) days from the date of change, unless a longer deadline is foreseen by applicable regulations pertaining to specific business, notify the Bank on all status changes including, but not limited to the changes relating to: business name, registered office, predominant activity, the persons authorized to represent, the members of the management bodies, empowered persons, the scope of their powers, changes of persons registered on Specimen signature form, change of e-mail addresses (e-mail), telephone number and other changes registered in the competent registry, as well as any changes that are essential for communication and smooth running of the business relationship between the Bank and the Client.

If the Client fails to act in the manner described in this paragraph, the Client shall be liable for the damages potentially suffered by the Bank on such grounds.

The Client is responsible for any losses that may arise from the fact that the Bank was not aware of any defect in the legal or business capacity of the Client, legal representative, or other authorized persons or proxies of the Client, as well as of their powers.

The documents and notification the Client submits to the Bank, depending on the nature of affair, documents of the Bank and the concluded contract, at the request of the Bank shall submit the requested documents in the original or a copy, with or without certification by the competent authorities (municipalities, court or notary public) confirming that the copy is identical to the original, with certified translation into Serbian made by a certified court interpreter if the documents or other documents have been written in a foreign language, and in case of a foreign document verified with apostille or another confirmation on legalization, depending on the country where the document was issued.

The documentation the Client submits to the Bank, which has to be certified by the competent authority or issued by the competent authority at the Client's request, cannot be older than 3 (three) months (this provision does not apply to authorised signatures form). The Client is responsible for the costs or losses that may arise as a consequence of forgery, fraud, incompleteness, legal invalidity, as well as of incorrect interpretation or translation of documents submitted to the Bank.

When giving orders to the Bank, the Client's orders must be clear and unambiguous, given in writing or in another agreed manner, in accordance with the current legislation and acts of the Bank.

## **V. THE COMMUNICATION BETWEEN THE BANK AND THE CLIENT**

The communication between the Clients and the Bank shall be made through information and marketing materials available at the Bank, through direct oral and written communication, through the Internet presentation, by phone, text messaging, as well as through other electronic forms of communication. The aforementioned means of

communication may be used for delivering all the information related to the business relationship between the Bank and the Client.

The Bank does not assume responsibility nor can it be held liable for the authenticity, validity or completeness of received documents, correct interpretation or translation.

If the mentioned documents are sent by post to the Client's address or if the correspondence is done via e-mail or SMS messages, such documents shall be considered delivered on the day of sending to the Client, or at the moment of sending by the Bank.

If the Client does not inform the Bank about the change of its seat in the timely manner, as well as about the change of other data which do have or may have impact on the orderly delivery of letters addressed to the address specified by the Client, such documents shall be deemed duly delivered if sent to such address, or in a form of a message through other channels of information using the submitted contact data.

The Bank has the right to use the customer information pertaining to the address, telephone and fax numbers, e-mail address and other information to establish contact, where such information were submitted by the Client to the Bank when signing the contract i.e. the application and/or other adequate document, to deliver a notification about its activities, products and services, in the form of brochures, leaflets, electronic or text messages, as well as all other means of business communication and business presentation. The Bank shall not be liable for unauthorized access to information and message content by third parties, which are sent to the Client by phone and/or fax or to the address and/or e-mail address which were specified as the contact details of the Client.

## **VI. BANKING SECRET**

The banking secret shall be deemed as the business secret.

The following shall be considered as the banking secret:

- information known to the Bank relating to personal data, financial status and transactions of the Client, as well as to persons who have ownership relationships with the Client, as well as to all persons connected with the Client, or the Client's business ties with this or other banks;
- data on balance and turnover on individual deposit accounts;
- Other data which come into the Bank's possession during the business operations with the Client.

The following is not deemed as the banking secret:

- public data and data which have been made justifiably available to interested parties out of other sources;

- Consolidated data which do not reveal individual Client's identity;
- Data about the Bank's shareholders and the amount of their stakes in the share capital of the Bank, as well as the data about other persons holding stakes in the Bank and data about these stakes no matter whether they refer to the Bank's Clients;
- data relating to the timeliness of fulfilment of obligations towards the Bank.

The Bank and the Bank's employees, members of the Bank's bodies, shareholders, as well as the external auditor of the Bank and other persons who, due to the nature of their job, have access to data that is considered a banking secret, are obliged to keep these data confidential and not to disclose the data to third parties, or use them against the interests of the Bank and the Clients, or in the way which would bring material gain for them or the third parties, nor can they allow third parties to access such data. The obligation to keep the professional secret for persons from the previous paragraph does not cease even after the termination of the status based on which they gained access to data from the said paragraph.

The Bank is not obliged to keep the bank secrecy if the data is disclosed to: judicial and executive authorities, as well as other bodies and organizations, in accordance with the powers that are prescribed by law and other regulations, as well as to associations which are established by the bank in order to collect data on the amount, type and timeliness of fulfilling the obligations of Bank's Clients.

In accordance with the Law on Personal Data Protection, the Bank informs the Client that it collects and processes personal data (data supplied by the Client and other personal data that are legitimately available to the Bank) for the purpose of establishing and monitoring the execution of business relations between the Bank and the Client and the fulfilment of obligations of the Bank established by the Law on Banks, Law on Prevention of Money Laundering and Financing of Terrorism and other regulations.

The Bank hereby informs the Client that the potential users of personal data, as well as the data characterised as banking secret pursuant to the provisions of the valid regulations, may be the following: The National Bank of Serbia, the Credit Bureau of the Association of Serbian Banks, the Directorate for Prevention of Money Laundering, the Forum for the Prevention of Abuse in credit transactions and payment cards with the Serbian Chamber of Commerce, a Bank's Shareholder, persons related to the Bank, the external auditor, the external associate of the Bank, persons with whom the Bank has an agreement on the protection of confidential information, as well as other persons/business partners of the Bank who require such data for the realization of business relationship with the Bank.

When entering in a business relationship with the Bank, the Client shall give a written consent that the Bank may process, use and transfer for processing, as well as disclose to third parties such Client's data representing the banking secret, as well as the data that have the character of personal data, for the purpose of realization of the rights and obligations of

the Client and to the extent necessary for the realization of the underlying rights and obligations, i.e. the implementation of other legitimate purposes of processing and under the conditions prescribed by the regulations, by-laws and documents of the Bank.

The Client agrees that the Bank may, through the Serbian Chamber of Commerce - the Forum for Prevention of Abuse of Credit Operations and through the Association of Serbian Banks - Credit Bureau, check the data and information submitted by the Client to the Bank, which are necessary to make a decision on approval of the loan.

## **VII. PROTECTION OF PERSONAL DATA**

The Bank collects and processes the personal data within the database which is formed and used for carrying out its activities.

The Protection of Personal Data is provided by the Bank to every individual, regardless of citizenship and place of residence, race, age, gender, language, religion, political or other beliefs, nationality, social background and status, property, birth, education, social status or other personal characteristics.

The Bank shall responsibly and properly fulfil its prescribed obligations arising from the laws governing the protection of personal data.

## **VIII. PREVENTION OF MONEY LAUNDERING AND TERRORIST FINANCING**

The Bank has the right to request from the Client the information necessary for the performance of prescribed obligations pertaining to the prevention of money laundering and terrorist financing.

The Bank has the right to postpone or reject the establishment of a business relationship with the Client, to terminate an existing business relationship or postpone or refuse the execution of transactions per orders or for the account of the Client, if it determines that this is required by the regulations preventing money laundering and terrorist financing.

The Bank shall not open, keep accounts and execute transactions on the order of, or on behalf of persons who are named in the lists of sanctions and embargoes adopted in accordance with the local and international regulations, in relation to the prevention of money laundering and terrorist financing. In addition to the above specified, in its business operations the Bank may also apply other internal and watch lists created with the aim to mitigate the ML/TF risk.

## **IX. THE CLIENT'S RIGHT TO OBJECT**

The client has the right to object in writing to the Bank if the Client believes that the Bank fails to comply with the laws and regulations regulating financial services, general business

conditions and good business practices relating to the services or the obligations under the contract concluded with the Client.

The Client is under the obligation to submit its objection to the Bank in writing, at the address of the Bank, in specific: Mirabank a.d., Španskih boraca 1, Belgrade or directly to the Bank's clerk in the Bank's business premises, by email, as well as through the Bank's website [www.mirabankserbia.com](http://www.mirabankserbia.com) The objections submitted in a different manner than specified above shall not be taken into consideration and the Bank shall not be responsible to respond to such objections. If the Client is not satisfied with the response of the Bank or if the Bank does not respond to the complaint within 15 days from the receipt of the complaint, under exceptional circumstances within the extended period of another 15 days, in a clear and understandable manner, the Client may inform the National Bank of Serbia in writing about its complaint by sending a letter to the National Bank of Serbia, Centre for Protections Users of the Financial Services, and thus instigate a mediation procedure before the National Bank of Serbia for extra-judicial resolution of a dispute. In its response to the complaint, the Bank shall inform the Client that, if the Client is not satisfied with the response of the Bank, or if the Bank failed to respond to the complaint within 15 days from the receipt of the complaint at the Bank, under exceptional circumstances within the extended period of another 15 days, in a clear and understandable way, the Client has the right to file a complaint to the National Bank of Serbia, in writing, sent to the address of the National Bank of Serbia, Centre for Protections Users of the Financial Services.

## **X. PAYMENT SERVICES**

### **1. Introduction**

The provisions of this part of the General Terms and Conditions are used to regulate the conditions and the manner of establishing and executing the business relations between the Bank, as a provider of payment services and the Client, as the payment service user.

This part of the General Terms and Conditions, together with the price list and timetable for the execution of payment transactions and the special Agreement on opening and managing the account or the provision of other payment services, represents the Framework Agreement on Payment Services (hereinafter: the Framework Agreement).

The schedule for the execution of payment transactions (the time of receipt of the payment order) is defined within the separate document (Time Schedule).

The General Terms and Conditions, together with the Price List and Time Schedule, are available in all the business premises of the Bank in writing, as well as at the Bank's website [www.mirabankserbia.com](http://www.mirabankserbia.com)

All matters which are not regulated by the provisions of a separate agreement and the provisions of this chapter, shall be regulated by the provisions of the General terms and



conditions and the applicable regulations of the Republic of Serbia, except for the provisions of the payment services for which the law provides the possibility of excluding the application for legal entities, as the users of payment services. In this respect, the Bank shall exclude application of certain articles of the Law on Payment Services according to the 9, paragraphs 2 and 3 of the mentioned law.

## **2. Opening and maintaining of payment accounts**

The Bank shall open and maintain the Client's payment account on the basis of his application and the Framework Agreement, i.e. the contract on account opening and maintenance concluded with the Client and the General Terms and Conditions, as well as on the basis of the necessary documentation required under applicable regulations or procedures of the Bank.

The Bank opens and maintains the following payment accounts:

- current account - account for regular business operations;
- second payment account - other special-purpose and special accounts.

The Bank maintains the accounts in the currency dinar (RSD) and in the currencies with exchange rates determined by the Bank, depending on the type of payments account, in accordance with the provisions of the agreement on opening and maintaining certain types of accounts and the General Terms and Conditions.

The Bank shall provide the cash pay-in and pay-out services, transfer of funds and other payment services within the balance or the amount of available funds in the payment account, in accordance with the provisions of the contract on opening and maintaining a specified payment account, the General Terms and Conditions and in accordance with the applicable regulations. If the Bank has agreed with the Client that the available amount of funds would also include the funds approved as overdraft, the amount in question may be deemed available in accordance with this provision of the General Terms and Conditions.

In the event of payment transaction from FC account of the Bank's Client on the FC account of the other Bank's Client, such transaction shall be performed without using the correspondent banks network. In the event of payment transaction from FC account of the Bank's Client to the Client of other domestic or foreign bank, such transaction shall be performed through the correspondent banks network.

The Client may authorize one or more persons in writing in the manner prescribed by the General Terms and Conditions for the execution of payment transactions under the Framework contract and/or agreement on opening and maintaining certain types of payment accounts.

At the opening of a payment account or the conclusion of the contract with the Client, i.e. his legal representative or proxy, the Bank determines the identity of the Client, its actual owner and legal representative or proxy, by examining the valid and credible documentation prescribed by the applicable legislation, an ID card or passport or other documents that the Bank may request.

In addition to the completed application to open a payment account, the legal representative or attorney of the Client shall complete a specimen signature form and submit all the necessary documentation required by applicable regulations.

The Bank may, in accordance with the relevant regulations, take over certain information about the Client in the electronic form from the organization responsible for keeping the register of companies (decision on registration, etc.).

The Bank shall close the Client's account in the following cases:

- at the written request of the Client provided that the Client has no outstanding obligations towards the Bank,
- at the written request of the Client, respecting contracted notice period, provided that the Client does not have outstanding obligations towards the Bank,
- due to statutory changes,
- in the event of dissolution of the Client as a company,
- in the events prescribed by the valid regulations and other provisions of these General operating terms and conditions
- at Bank's initiative, in accordance with the regulations or the provisions of these General operating terms and conditions.

The provisions of the General terms and conditions defining the termination of business relations between the Bank and the Client shall also apply to the termination of the contract on opening and maintaining of accounts.

### **3. Payment Account Switching**

The Bank shall enable those Clients who are opening or have an open payment account with the receiving payment services provider (hereinafter: the new payment account) to switch the payment account, in the same currency, either by closing or without closing the payment account held with the Bank. The Bank shall enable the Client to switch the payment account even if the Bank is at the same time both the transferring and the receiving payment services provider, and in such event that the Client opens a new payment account with the Bank in which case the Bank is the receiving payment services provider.

Payment account switching is conducted exclusively upon written authorisation whereby, the payment services user authorises the transferring payment services provider to undertake all or individual activities pertaining to payment account switching which said

services providers are obliged to carry out in line with applicable regulations governing payment services. This authorisation may be used by the payment services user to identify standing orders, direct debit mandates, incoming credit transfers and other payment services that are to be switched to the new payment account, provided that the receiving payment service provider provides these services. By the authorisation, the payment service user specifies the date from which standing orders and direct debits are to be executed from the new payment account, whereby this date shall be at least six business days from the date on which the receiving payment services provider received the documentation from the transferring payment services provider.

Within two business days from the receipt of the authorisation for payment account switching, the Bank, as the receiving payment services provider shall request the transferring payment service provider to carry out the following tasks, in accordance with the authorisation: transmit to the Bank, and, if specifically requested by the payment services user, to it as well, a list of the existing standing orders and available information on direct debit mandates that the payment service user requested to be switched – within five business days from the receipt of this request; transmit to the Bank and, if specifically requested by the payment service user, to it as well, the available information about recurring incoming credit transfers and creditor-driven direct debits executed on the payment services user's payment account in the previous 13 months – within five business days from the receipt of this request; refuse the execution of a payment transaction based on incoming credit transfers and direct debits with the effect from the date specified in the authorisation and inform the payer and the payee of the reasons for refusal, if it does not provide a system for automated redirection to the new payment account; cancel standing orders with effect from the date specified in the authorisation; transfer any remaining positive balance from the previous to the new payment account on the date specified in the authorisation; close the payment account on the date specified in the authorisation. In the event that the Bank is the transferring payment services provider, at the request of the receiving payment services provider, and in the cases determined by law, at the request of the payment services user, it shall carry out the mentioned activities i.e. shall submit the mentioned documentation and information within the defined deadlines.

As the receiving payment services provider in terms of the new payment account, the Bank shall, within five business days from the receipt of the requested information from the transferring payment services provider, and in accordance with the authorisation and all the information received, do the following: set up the standing orders specified by the payment service user in the authorisation and execute them with effect from the date specified in the authorisation; make any necessary preparations to execute direct debits which the payment service user specified in the authorisation with effect from the date specified in the authorisation; inform the payment service user of other rights related to the execution of direct debits that are agreed; inform the payers specified in the authorisation and making recurring incoming credit transfers of the details of the new payment account of the payment service user and transmit to them a copy or original of the authorisation; inform the payees specified in the authorisation and using a direct debit to collect funds from the

payment account of the payment service user of the details of the user's new payment account and the date from which direct debits are to be collected from that payment account and transmit to the payees, along with the information, the Bank shall submit a copy or original of the authorisation.

If the Bank is the transferring payment services provider in the process of payment account switching, it shall close the payment account of the payment services user if the Bank received from the receiving payment services provider information and documentation in line with applicable regulations, and if the payment services user does not have any outstanding obligations on said account, otherwise the payment services user shall be notified of the fact that the closing account terms have not been met. The Bank, as the transferring payment services provider submits to the receiving payment services provider, information on all or same standing orders recurring direct debit mandates and recurring credit transfers where the payment service user is the payee, as well as any remaining positive account balance, if so requested by the payment service user in the authorisation.

The Bank shall make the following information pertaining to the switching readily available to the payment services user: obligations and responsibilities of the transferring and receiving payment services provider, the timeframes for the completion of actions, the fees (if any) charged for payment account switching, any information that the payment service user is required to provide to the payment service provider, the out-of-court dispute settlement options, in accordance with the law governing the protection of financial service consumers. The information referred to above shall be available free of charge, on paper or another durable medium, on all premises of the Bank accessible to payment service users and on the Bank's website. The Bank shall provide the payment service user information referred to herein, upon their request and free of charge.

The Bank shall provide the payment services user or make readily available information on any existing standing orders or direct debit mandates at its request and free of charge which the payment services user may have with the Bank.

The Bank shall refund to the payment service user, without delay, any damage suffered by the user in the switching process due to non-compliance of the Bank with the General Terms and Conditions and valid regulations, unless said non-compliance was the result of force majeure.

#### **4. Authorization for payment account management**

When opening a payment account, the Client must indicate the names of all the persons authorized to manage the account and/or dispose of the funds in the account. The signature of authorized person must be deposited to the Bank, and the identity of that person must be determined on the basis of personal and other relevant documents. The Client is obliged to familiarize the authorized persons with the contents of these General Terms and Conditions, as well as with the terms of each contract on opening and maintaining the

account on which that person is authorized. It is believed that a person who is authorized for the payment account has accepted the General terms and conditions, i.e. the Framework Agreement, at the time of taking his first action related to the payment account such person is authorised for. The Client may authorize one or more persons to perform certain actions on the payment account in which case he shall submit to the Bank the power of attorney on the letterhead of the Client, stamped with the Client's stamp (if so defined by the regulations of the country where the office of the Client is located) and signed by the legal representative of the Client, which authorizes one or more certain persons to perform the actions mentioned above.

If the Client has authorized a person to conclude the framework contract and/or agreement on opening and maintaining of account in his name and on his behalf, the Bank in this case shall identify the authorized person and opens the account on the basis of power of attorney given in written form on the letterhead of the Client, which has been submitted in due and proper form.

The authorized person cannot issue new or revoke the existing authorizations, nor is authorized to close the Client's account, unless the power of attorney expressly states that such person is authorized for this action. In the event of any changes or amendments in respect of persons responsible for the management of the payment account or scope of authority, the Client must inform the Bank without delay together with the delivery of appropriate evidence.

The authorizations and deposited signatures of persons authorized to manage the payment account or handle funds in the account are valid until revocation of the same.

On the day of submitting of any written notice with adequate proof of the dissolution of a business entity, or of the deleting of the company from the relevant register or of the opening of the bankruptcy proceedings, the authorizations and potentially given special power of attorney for managing the account shall cease to be effective, whereas the funds on the account concerned shall be blocked, while the amount of the used funds shall be immediately deemed fully due. Until that moment, the Bank can rely on valid authorizations or powers of attorney and is not liable for the damage that up to that point may be caused to third parties due to the management and disposal of the payment account of the Client by an authorized person or a proxy.

In the above specified manner, the day of receipt of the notification about the opening of the liquidation proceedings and the submission of evidence of selection or appointment of the liquidation trustee, all the authorizations i.e. powers of attorney for managing of the payment account shall cease to be valid, for the individuals who were authorised to manage the Client's account before the opening of the liquidation procedure, but who were not chosen in the process of liquidation by the founder, or appointed by the competent court to perform the function of liquidation administrator.

The authorized person can independently close the account only against a special authorization, as well as if all the accounts have positive or zero balance.

In the event the Client holds one or more payment accounts with the bank, the Bank is authorized at any time, in accordance with relevant regulations, to compensate any claims from the Client against the obligations it has towards the Client.

By accepting these General Terms and Conditions, the Client authorizes the Bank to debit all Client's accounts with the Bank, regardless of the currency of the same, for the purpose of settlement of claims the bank has towards the Client, arising on any ground. In the event that the settlement of the Bank will charge the foreign currency accounts of the customer, when calculating the Bank shall apply the current buying rate of the Bank for foreign currency on the date the account is debited.

## **5. Payment transactions**

The Bank provides payment services in local and foreign currency, in the country and abroad, and is irrevocably authorized to accept payments on behalf of the Client, and the client can use the funds from the account in the amount of available funds, all in accordance with the General terms and conditions and the applicable legislation.

In order to provide the services that are the subject of the contract on opening and maintenance of payment account, the Bank assigns a unique identification code to the Client, which is required for each payment transaction. A unique identifier is also the number of the payment account of the Client, which is used for the provision of payment services.

The payment transactions that are the subject of the contract on opening and maintenance of payment account can be made only with the correct guidance of the unique identification mark. It is believed that the payment order was properly implemented if the Bank executes the order in accordance with the unique identifier specified in the order (the payer and/or payment recipient). If the Client provides the Bank with incorrect unique identifier or any other defective or incorrect important element of the payment order, or fails to perform the authorization, the Bank shall not be responsible towards the Client for the proper and timely execution of orders. If the payment order is given a unique identifier without any other prescribed information or if other specified data do not correspond to a given label, the Bank shall execute the order under the unique identification label, if it meets the other agreed conditions for its execution, and in such a case the Bank shall be liable only for the execution of the payment transactions in accordance with the unique identifier.

For the avoidance of doubt, these General Terms and Conditions do not regulate the execution of one-off payment transactions, because such transactions are being executed without the opening of a payment account with the Bank and are regulated by payment orders. Payment transaction is determined by the payment order. Payment orders are: a

pay-in order, a pay-out order and transfer order, whereas the payment orders for foreign currency payments are: payment order, billing order and general foreign currency order. Payment orders consist of at least two copies, where at the Client's request, with the consent of the Bank, the transfer order can consist of only one copy. The order must be valid, legible and authorized by the Client in the agreed manner. The Client is responsible for the completeness and accuracy of the information specified in the payment order, and shall, prior to giving consent (authorization) for the order; check the elements and the content of the payment order which initiates the payment transaction and/or a series of payment transactions.

The Bank shall execute a payment order if the following conditions have been met:

- if the payment order is correct;
- if the correct documentation is submitted together with the payment order, if necessary from the point of view of foreign exchange transactions or prevention of money laundering and terrorist financing;
- If the payment account has sufficient funds to pay the entire amount of the order or if the Client who makes the payment of cash to its payment account hands over to the Bank the cash in the amount necessary for the execution of orders and fees, unless otherwise agreed for each additional specific service;
- if the payment order was approved in an agreed manner.

The Bank reserves the right to request from the Client additional information related to the payment transaction, if such an obligation arises from the regulations governing the prevention of money laundering and terrorist financing, regulations governing foreign exchange transactions or internal documents of the Bank enacted according to these regulations. If the aforementioned conditions have not been met (defective order, transactions contrary to applicable regulations and Bank's internal regulations governing the prevention of money laundering and terrorist financing, and/or foreign exchange transactions), the Bank may refuse to execute a payment order, in which case it will inform the Client about the situation and if possible about the reasons for rejection, as well as about the possibilities and procedures for correction, no later than within the period prescribed for the execution of the payment transaction. If the execution of payment transactions is denied, it shall be deemed that the payment order was not received, and if the Client corrects the deficiencies in the payment order and it meets the requirements for execution, it shall be deemed that the corrected order was submitted as a new order, and the bank shall commence with the execution of an order in accordance with these General Terms and Conditions. In the event that on the payment account, which is not blocked, there are not enough funds for the execution of the transfer order, the Bank will not refuse the order if the customer manages to ensure the necessary funds within 2 working days on the account for the execution of payment transactions. In this situation, the day of execution of the order is the day when the Client provided the funds onto the bank account and put them at the Bank's disposal. In a situation that within due time the Client fails to ensure the necessary funds on the account, to commencement of the execution of the

order is considered to be the first following business day after the expiration of the above mentioned deadline.

The payments to foreign countries and foreign collections can be made by remittance, documentary letter of credit, documentary collection, other payment instruments that are used in international payment transactions, in accordance with applicable regulations. The outgoing payments towards the foreign countries charged to the payment account of the Client, the Bank performs based on proper order and in accordance with the Time Schedule, provided that all other requirements for the execution of the payment order have been met in accordance with the applicable regulations and the provisions of General Terms and Conditions.

The Client may perform payment transactions in the currencies that are not on the exchange rate list of the Bank. In the event of execution of this type of payment transaction, the Bank will debit the Client's EUR account held with the Bank, according to the exchange rate of the correspondent bank. The Bank shall, in cooperation with the correspondent bank, perform the execution of such payment transactions as soon as possible.

The Bank receives payment orders through its distribution channels, in accordance with the provisions of the opening and maintenance of certain types of payment accounts and other special contracts, the terms for additional services the Bank provides to the Client with regard to such accounts and the provisions of the General Terms and Conditions. The time of receipt of the payment order is the time when the Bank has received an order directly from the payer or indirectly from the recipient of the payment. The high time to receive the order is defined by the Time schedule which is an integral part of the Framework agreement. The payment order received by the Bank after the deadline prescribed by the Schedule shall be deemed as received on the following working day. If the Client has specifically agreed the day of execution of the order with the Bank, the time of receipt of the order shall be deemed to be the day of the agreed commencement of the execution of the order. If the payment order is received on the day that is not a working day at the Bank, it shall be deemed received on the following working day.

The payment transaction is considered to be authorized if the payer has given consent to execute the payment transaction or to execute a series of payment transactions which incorporates this specific payment transaction, and after the Bank has carried out the authentication process for the payment transactions for which the Client has given its consent. The manner of granting the approval for the execution of a payment transaction depends on the payment instrument and the distribution channel of the Bank. The Client gives its consent to execute the payment transaction initiated by:

- in the Bank's premises - by signing the order,
- at the recipient of the payment - by signing the orders,
- by e-banking.



Granting consent for payment transactions initiated in a way that is not defined by the General terms and conditions may be provided by a special contract. It shall be considered that the Client has subsequently given its consent when after the completed transaction he takes the documents from the Bank referring to a specific payment transaction (certificates, payment orders, etc.).

The consent may be revoked until the payment transaction is carried out. The Client may cancel the payment orders in writing or in a manner determined by the account authorization by special agreement for the particular service, where the Bank may require the Client to submit the original order / confirmation of the transaction, the identification document and alike. In this situation, the bank will take reasonable measures to prevent the execution of the order, while respecting the rules of the trade, and reserves the right to charge and collect a special fee for the cancellation of the order. A fee is charged for the revocation of a payment order in accordance with the price list.

For international payment transactions, the Client may request in writing to cancel the payment order at the time and in a way that makes it possible to initiate a cancellation of the execution of the specific payment transactions contained in the order, and may also submit a request for revocation or invalidation after the execution of a payment transaction, in which case the fee is charged according to the price list and there are no guarantees that this attempt will be successful and that the Client shall not suffer the consequences in this regard.

In the event that the payment transaction is initiated by submitting the bills for payment, by the conclusion of a framework agreement i.e. a contract on opening and maintaining of the account and by the acceptance of the general conditions, the Client gives irrevocable consent to the Bank to execute the payment transaction initiated in this way by a promissory note creditor, by debiting the payment accounts of the Client.

The Bank may debit the payment account of the Client without the Client's payment order in the following cases:

- in the enforcement procedure, i.e. forced collection over the Client, in accordance with the Law,
- for the purpose of collection of matured fees for the services provided by the Bank in accordance with the provisions of the Framework agreement, due receivables under loan approved by the Bank to the Client or other due receivables of the Bank towards the Client, if such type of collection has been agreed;
- in other cases prescribed by the applicable regulations.

The payment transactions made in this way is not considered an unauthorized payment transaction.

By signing the contract on account opening and maintenance, i.e. the Framework Agreement, the Customer irrevocably authorizes the Bank to, when the particular payment

account does not have adequate resources for the execution of the obligations under the contract, execute the payment to offsetting the balance of the payment account of the Client opened with the Bank. If a user has more than two payment accounts (in local or foreign currency), the Bank is entitled to the right to determine, at its discretion, the order in which to collect the funds for settlement of any contractual obligation, and to collect the funds by offsetting the balance of all payment accounts of the Client with the Bank.

In case the transfer is made from the foreign currency account of the Client, when calculating the Bank shall apply the current middle rate of the Bank for foreign currency on that date.

The refunds to be done in some cases of improper execution of payment transactions (transferred more funds than the amount indicated on the payment order, repeatedly executed payment order or funds that are transferred to another recipient of payments) has priority over the execution of all other payment transactions from the payment account to which the funds are transferred.

## **6. Instant Debit Transfer**

Instant debit transfer (instant payment) is a domestic payment transaction in the RSD executed via a debit transfer which the payer may initiate at any time of the day, every day of the year and with this transfer funds are transferred to the payee's payment account in real or almost real time.

Instant payment is a cashless means of fund transfer in amounts that do not exceed RSD 300,000 irrespective of the particular payment instrument used to initiate such a payment transaction. Payment service providers execute instant payments in their capacity as the payer's provider of payment services and/or the payee's provider of payment services.

The Bank, as a provider of payment services, executes instant payments as the payee's provider of payment services only.

The Bank does not execute instant payments as the payer's provider of payment services.

As the payee's provider of payment services, the Bank is obliged, once it has received order for the execution of a particular instant payment, to establish without delay whether conditions for the execution of the orders have been met in accordance with the applicable regulations and provisions of the Framework Agreement. If all conditions for the execution of the order have been duly met, the Bank shall accept it, for which an affirmative answer shall be delivered to the payee's provider of payment services. Upon receiving notification that the order has been executed in the payment system, the Bank shall credit the payee's payment account indicated in the payment order and allow for disposal of the funds, of which the payee shall be notified via email.

In the event that conditions for the execution of a particular order have not been met, the Bank shall deliver a negative answer to the payer's provider of payment services along with reasons for the non-acceptance of the relevant order. In this case, or in case that the time allotted for the delivery of an answer has elapsed, the execution of the instant payment order shall be rejected in the payment system of which both the payer's and the payee's service providers shall be notified by the National Bank of Serbia, as the payment system operator.

The payer's provider of payment services has the right to initiate the payee's service provider a refund, based on any executed instant payment if the payment order in question was executed several times, if the amount was higher than that indicated on the order, if funds were transferred to a payee different from that indicated on the order or if the relative transfer was executed in error due to technical difficulty or for any other reason duly stated by the payer. The Bank, as the payee's provider of payment services, is obliged to refund the funds based on the refund request, in accordance with applicable regulations, or to refuse the request in which case the Bank shall state its reasons.

Other provisions of these General Terms and Conditions shall be applied to all issues not defined in this section.

## **7. The responsibility of the Bank and the Client in the execution of payment services**

In domestic payment transactions to be executed in dinars, the transaction amount will be credited to the account of the provider of payment services of the recipient on the same business day when the Bank has received the payment order in accordance with the General Terms and Conditions. For the other payment transactions, different deadlines for the execution of payment transactions may be applicable in accordance with the valid regulations.

Upon receipt of the payment order from the foreign bank, the Bank shall inform the Client about the inflow from abroad, in whose name, i.e. on whose behalf the payment is being made.

The payment account of the Client is approved in the currency in which the Bank's account was approved. The Bank shall approve the funds at the Client's payment account and permit disposal of the funds in the account, after receiving a notification of the approval of the Bank's account, but not before the date of collection of the currency that represents the date that the foreign banks or other local bank has approved the Bank's account. If the approved account with the bank is in the currency in which the recipient of the payment does not have an open account with the Bank, the Bank shall not be able to record an incoming payment unless the Client as the recipient of the payment does not open a foreign currency account in the adequate currency.

The Bank shall not perform the payments transactions for the Client who did not agree in the manner determined by the General terms and conditions (unauthorized payment transaction). In the case of the execution of unauthorized payment transaction, the Bank will return the payment account of the Client in a state that would be existing in the event the unauthorized transaction has not been made, i.e. will return the amount of unauthorized transactions and any fees that are charged on this occasion, together with any accrued interest. The Bank is obliged to act in the specified manner if the Client notifies the Bank about the non-approved payment transaction, immediately after becoming aware of it, but not later than within 10 days from the date of debiting, under the threat of losing the right to refund and other rights prescribed by law, and after the expiry of 10 days, only on the condition that during this period, the Client was not provided with the information about non-approved payment transaction. It shall be deemed that the Bank has provided the Client with the required information by delivering the account statement in the agreed manner.

If the Client disputes the executed payment transaction in the sense that it has not been approved or that the payment transaction was not carried out or is not correctly carried, the Client is under the obligation to inform the Bank thereof, as well as to provide adequate proof for his claims.

The Bank may reverse, without a special request and consent of the Client, the entry that was made by error on the Client's account, and is under the obligation to inform the Client about the correction if the Client seeks explanation for the made corrections. The Client is under the obligation to return the funds paid onto his/her payment account without any legal grounds. In the case of non-executed or defective payment transaction resulting from the error of the Bank, despite due diligence, the Bank shall be liable only for the amount of proved actual damage thus suffered by the Client.

The Bank shall in no event be liable for any failure or improper execution of the payment transaction initiated by the Client, the recipient of the payment or the Client via the recipient of payment, and that occurred because of actions or omissions on the side of these persons. In the event the payment transaction is improperly executed or not executed because the submitted unique identifier was incorrect, the Bank, as the payment services provider, shall not be held liable for the unexecuted or incorrectly executed payment transaction. In such cases, at the request of a payment services user, the Bank, as the payment services provider shall promptly take all reasonable measures in order that the payment services user receives a refund of a payment transaction amount, and the payee's payment service provider shall cooperate to this aim with the payer's payment service provider and provide all the necessary information to the provider so that the payment transaction amount is refunded. If, in addition to this, the money cannot be refunded to the payer, the Bank, as the payer's payment services provider shall, upon the payer's written request, immediately submit all the available information which the payer needs to exercise the right to refund (e.g. information about the payee's payment services provider and/or the payee).

In the case of a payment transaction initiated by the Client or through the Client's recipient of payment, a payment service provider of such payment recipient shall be liable towards the receiver for the proper delivery of the payment order to the Bank, and if the amount of the payment transaction is credited to the account of the provider of payment services of the recipient of the payment, he is liable towards the recipient for the proper execution of the payment transaction.

For payments transactions which are initiated by standing orders, the Bank shall not be liable if the funds on the Client's account are not sufficient, if instructions are not clear, if the third party invoices or similar documents are not clear or are not timely delivered to the Bank, as well as in other cases that are beyond control and influence of the Bank.

The Bank shall not be responsible i.e. shall not refund the funds to the Client's payment account if the payment transaction is made on the basis of a lost, stolen or misused payment instrument if the Client has failed to protect his personalized elements, especially if the transactions were made due to fraudulent activities of the Client or failure to fulfil its obligations due to intent or gross negligence. In these cases, the Client shall bear all the losses.

The Bank shall always require clear and explicit instructions (orders) from the Client for the execution of payment transactions in the country and abroad, made in writing, specifying the purpose of payment. The instructions must be submitted by the Client and received by the Bank in a timely manner so that the Bank could make a payment transaction in the usual way without having to use any specific forms of urgent communication. The Bank shall execute the payment transactions in dinars during the business day on which it was received or at the currency date if such date is specified in the payment order, depending on whichever date is later for the orders prescribed by relevant regulations in the field of payment services. Within the schedule, the Bank determines the time by which it shall be deemed to have received orders or instructions on such a business day, but where such time cannot be longer than the time determined by the National Bank of Serbia for orders in domestic payment operations. If the Client has specifically agreed the day of execution of the order with the Bank, the time of receipt of the order shall be deemed to be the day of the agreed commencement of the execution of the order. The Orders regulated by relevant regulations in the area of foreign currency business, the Bank will carry out within the timeframe agreed with the customer for each payment transaction. If the Client finds that a particular payment demands urgent execution, the Client shall specifically inform the bank about this fact by appropriately indicating this fact in his order. If faster execution of the order is possible, the Bank shall execute such services against an adequate fee defined in the price list.

The bank shall not be responsible for the proper execution of international payment transactions or payment transactions in the currency of third countries, carried out through a correspondent bank, except in cases of its own gross negligence. The Bank shall not be

liable for any damage in the situation that after the receipt of the payment order from the foreign bank to the value date of the payment transaction, the Bank does not receive any coverage from abroad, i.e. foreign bank withdraws, blocks and/or modifies the order, in which case the Bank shall not be able to process the receipt of the payment and such amount would be reversed. The obligation of the Bank to make the payments by debiting the positive balance of foreign currency accounts or to fulfil the obligations in foreign currency will be limited to the extent and the period in which the Bank may not or may only conditionally dispose with the currency pertaining to such obligation, due to political measures or events in the country of the respective currency. To the extent and over the period in which such measures or events exist, the Bank is not obliged to make payments in a place that is different from the country's currency, or in another currency (including local currency) or to provide cash for such payment, which will not affect the right of the Client or the Bank to carry out mutual offsetting of receivables in the same currency.

In terms of execution of payment orders of the Client, the Bank does not bear any responsibility in case of suspension of payments due to the application of binding international regulations, the application of the relevant rules and regulations applicable to the Bank or its affiliates, moratorium of a correspondent bank, in accordance with the regulations of the foreign country. The Bank shall in no event be liable for loss/damage caused by changes in exchange rates or value of security instruments, if the delay or misdirection of the payment order has been caused by the actions or omissions of the Client, or any third party.

There shall be no responsibility of the Bank or the Client in terms of the execution of payment transactions, unless the fulfilment of obligations is impossible due to force majeure or if it is provided by the applicable regulations.

## **8. Statement of payment accounts**

The Client shall be obliged to keep records of transactions and balances of funds in the payment account.

The Bank shall make the payment account statements available to the Client via e-banking, at the Bank's business premises, by sending them to the e-mail address (via email) if the Bank has such contact information in its records or through other appropriate means provided for communication between the Bank and the Client, and at the Client's request it shall issue the statements directly in its premises.

The Client is obliged to immediately verify the accuracy and completeness of the statements, as well as of other reports and notifications received from the Bank. In the event that there is an objection, the Client shall no later than within 10 days after the receipt of the submitted document submit its objection that must be precisely reasoned and explained, and delivered to the Bank in writing. If the Client fails to submit an objection

within the above specified deadline, it shall be deemed that the Client has accepted the statement as accurate.

## **9. E-banking**

The Client is entitled to the right to use the e-banking services specified during the filling in of the application. Following the development of technologies, the Bank may integrate new services within its electronic network.

The Client contracts use of e-banking services by signing and stamping the application form, in which way the Client accepts the application of the provisions of this Section, as well as General Terms and Conditions as a whole. The Bank may reject the Client's request for the activation of e-banking services even after the signing the application form, but is obliged to inform the Client using one of the ways provided for communication between the Bank and the Client.

The users of the e-banking services may be the Clients who have a payment account opened with the Bank. This way the Clients may check the balance on the account and may perform payment transactions.

If the package is made for e-banking, the Client shall take over the package after it is prepared, which the Bank shall notify the Client about in one of the ways provided for communication between of the Bank and the Client. The package for e-banking may be taken over by the legal representative of the Client, the person authorized for the account of the client, a person authorized for the use of e-banking services or other authorised person. The Client shall, when receiving the package, activating the package and when using services of e-banking, act in a manner defined by the Bank's documents and instructions.

After the expiry of the digital certificate, the Client shall not be able to use the e-banking and the certificate must be renewed. The certificate may be renewed within the period of 15 days prior to the expiry and 15 days after the expiry of the validity of the digital certificate. While completing the request, the Client decides whether he/she wants a qualified or non-qualified digital certificate. If the client does not apply for renewal of certificate within three months after the expiry of the certificate, the Bank shall cancel the use of e-banking and the Client shall be obligated to return the security equipment (smart card and USB key) to the Bank. In case the Client does not renew a digital certificate within the stipulated time, he shall bear all the costs incurred and other consequences that may arise until the moment of the return of safety equipment.

For the purpose of conducting the transactions, the Client is obligated to use the security equipment in the manner prescribed for the use of the equipment and shall keep it safe from damage and unauthorized use. The Client's Payment orders are executed in accordance with the agreement on opening and maintaining of accounts, the general terms and conditions, schedule and applicable regulations. The Bank reserves the right, for

transactions executed via e-banking by the Client, to require the submission of documents based on which the transaction was executed. The Bank shall execute the Client's orders for payment transactions with foreign countries only after the Client previously in person, by mail, e-mail or fax submits the documentation that represents the evidence of the admissibility of its legal basis, and in terms of the applicable regulations governing foreign exchange transactions. Via e-banking, the Client may dispose of the funds in the account with the Bank and overdraft funds approved for such an account. Using the service of checking the account balance may be used for all types of payment accounts (dinar and foreign currency) of the Client opened in the Bank.

The Bank shall not be liable for refunds, if the Client has entered wrong data in the payment order when initiating transactions through e-banking and the Bank has executed such order.

The Bank collects a commission in accordance with its valid pricelist for the provision of e-banking services. The Client shall, within the selected package of e-banking services, pay the fees depending on the service provider chosen at the occasion of signing the application form. Fees for the use of e-banking are automatically charged by debiting the customer's account at the beginning of the month for the previous month. Calculation of fees for the use of e-banking services begins from the day the certificate is drafted or, in case of activation of services for which a certificate is not produced (for example, SMS or WAP channel) from the date of service activation.

If the Client does not renew the certificate after the expiration of a period of 3 (three) years from the date of drafting of the certification, the Client shall be charged a fee for the cancellation of the use of e-banking services. The customer is obliged to comply with the rules defined by these General Terms and Conditions, and the provisions of individual contracts, to act in good faith and with due diligence and to preserve the confidentiality of all passwords and security equipment, and if an unauthorized person in any way abuses the password or security device, the Client shall be responsible for the damage.

The Client is obliged to immediately report the loss, theft or misuse of the safety device to the Bank and shall, within two days, in writing, confirm such a report. The overall amount of damages resulting from loss, theft or abuse of the safety device shall be covered by the Client. The safety device found after the reporting must not be used and must be returned to the Bank.

The Bank shall not be responsible in the event the Client cannot use the e-banking services because of the interferences in telecommunication channels, as well as due to any other circumstances that are beyond the control of the Bank.

The Bank shall block the e-banking services:

- if the Bank concludes that the Client has, while using the electronic services, failed to comply with applicable regulations, General terms and conditions of business or



special agreements on opening and maintaining the account concluded between the Client and the Bank,

- in case the Client reports the loss, theft or misuse of a safety device,
- in the event the Client withdraws the authorizations for the use of the safety device,
- If the Bank in any way becomes aware of unauthorized use of the data from the security device or the password by a third party,
- in all other cases where there is a suspicion of unauthorized access to the security package of the Client or protective elements of the Bank, or if there are justified reasons relating to the security or if there is suspicion of an unauthorized use or use for fraud.

The execution of the blocking of electronic services prevents its further use. Prior to the blocking, the bank shall inform the Client by telephone or other appropriate means about the intention and the reasons for the blocking, and if the Bank is unable to do so before the blockade, it shall notify him immediately afterwards at its offices, by telephone, electronically or in any other appropriate manner. The Bank shall not notify the Client about the blockade if the giving of such notice is prohibited by applicable regulations or if there are legitimate security concerns. The Bank shall allow the Client to use the e-banking again after the conditions for the blockage cease to exist.

Deblocking the electronic service is achieved by the Bank by granting the access to the Client again, by issuing of new security package or activating the existing one, all depending on the reason for the blocking.

The client may seek temporary blocking of individual e-banking services by submitting a written request to the Bank. At any moment, the Client may cancel the use of e-banking services, in writing. When submitting a written request for the termination of the use of this service, the Client must return the security equipment that he used. Prior to cancelling the e-banking services, the Client is under the obligation to reimburse all debts incurred by using such services.

The Bank reserves the right to cancel the e-banking services to the Client, if the Client fails to comply with these General Terms and Conditions, especially if the Client does not pay a fee for e-banking services, i.e. does not take over the electronic banking package within three months from the date of receipt of the notification sent by the Bank.

If in case of cancellation or termination of e-banking package in another way, the Client fails to return to the Bank the safety equipment of returns such equipment in the damaged form, the Client shall be obliged to pay compensation in accordance with applicable Price List.

In case of cancellation or closing of the e-banking package in another way, the Client is obliged to pay all due monthly fees for the use of e-banking, maintenance of the e-banking package, fee for closing and all other types of fees defined in these General Terms and Conditions or the applicable Price List, which are related to e-banking and in that sense

authorizes the Bank to automatically, without further consent, debit its accounts for the amounts of the above specified fees.

#### **10. Fees and other costs to be charged to the Client**

The Bank shall calculate and charge the Client with the fees and other expenses on the basis of special agreements and General Terms and Conditions, with which the Client is familiar and which he accepted and consented to completely.

In the provision of payment services to the Client, the Bank shall calculate and charge fees in accordance with the Price List, by debiting all of the Client's payment accounts.

The Bank shall calculate and charge fees for the following payment services:

- for the execution of payment orders or for the execution of payment transactions in the country and abroad,
- the fee of the intermediary bank and the recipient bank in international payment transactions or payment transactions in the currency of third countries, if the Client selected option OUR for the execution of a payment transaction,
- the commission for the processing of inflow for international payment transactions or payment transactions in the third country's currency,
- compensation for the revocation of the payment order,
- commission for maintaining of accounts,
- other fees and actual costs in accordance with the General terms and conditions and the Price list.

The fees that Bank charges its customers for rendered services are variable, and once every quarter the Bank reserves the right to change and/or supplement the fees and other costs charged for services it provides, taking alternatively into account the inflation rate if the inflation rate increases, the change of the consumer price index, change of the mandatory reserves with the National Bank of Serbia, change of the value of local currency against Euro exchange rate, change in local and foreign reference interest rates, change in legal regulations, deterioration of the credit rating of the country, deterioration of the Client risk factor in accordance with the regulations of the National Bank Serbia and the Bank's internal regulations, the deterioration of the conditions under which the Bank borrows on the local and on the international markets, and the growth of EMBI (Emerging Markets Bond Index), the Bank's business objectives, market conditions and competition, market disturbances and other circumstances that may have a negative impact on the Bank's business operations.

Any change of the Price List shall also apply to the framework agreements already concluded and shall be implemented from the date of entry into force, without entering into a separate annex to the contract.

The Client may get more information about the Bank's Price List regarding the provision of services and opening and managing of the account, as well as about other services provided

by the Bank at the Bank's website [www.mirabankserbia.com](http://www.mirabankserbia.com) or during business hours at the business premises of the Bank.

The Bank will inform the Clients about the changes of the fees and other costs 15 days before the entry into force of such changes, by publishing the Price List in the premises of the Bank's branches and on the Bank's website [www.mirabankserbia.com](http://www.mirabankserbia.com), with additional possibility of informing by SMS messages or e-mails or in writing or by other appropriate means. Irrespective of the above, the Client shall be obliged to regularly inform himself about the charges, as well as about the change of other elements of the business relationship with the Bank, regardless of the product due to which a business relationship was entered into with the Bank.

All current accounts of the Clients, except the accounts that are associated with non-dedicated term deposit accounts for the duration of the time deposit, are subject to monthly fees for account maintenance in accordance with the Bank's Price List, regardless of whether any financial transactions have been recorded on such accounts.

The monthly maintenance fee is automatically charged on the first business day of the month for the previous month, by debiting all current accounts of the Client in all currencies. Collection of fees may be performed from the overdraft on the current account, whereas in the event the Client does not have funds in the account or does not have approved overdraft, the fees can be booked as a receivable from the Client.

The fee for e-banking is automatically charged by debiting the Client's account at the beginning of the month for the previous month and starting from the day of creation of the certificate. The fees for e-banking which cannot be collected due to the shortage of funds on the Client's account will not be shown on the statement of accounts as unauthorized overdraft, but as unrealized pending orders.

The customer shall bear all the expenses incurred by the Bank while carrying out the orders given by the Client, as well as the other actions in the execution of the business relationship between the Bank and the Client, in accordance with the Bank's Price List applicable at the date of execution of orders or taking of other actions (e.g. the cost of DHL, commissions of the correspondents, etc.). If the Client's account has insufficient funds, the Bank is entitled to charge the Client with a legal default interest for the period of delay.

Fees and other expenses listed in the Price List, which is related to the provision of payment services are expressed without the fees of other banks that participate in transfers of funds. The amount of commission of other business banks participating in the transfer of funds depends on their business policies. The expected amount of fees charged by other banks that participate in transfers of funds in international payment transactions can range from 0 to 150 EUR or in dinar equivalent, depending on the business policy of the bank and current regulations in the countries in which these banks operate or such amounts may be higher.

The Bank shall provide the Client, free of charge and in a timely manner before concluding with it the Framework Agreement, a document containing a list of services from the list of representative Bank services provided by the Bank, as the payment services provider, and the details concerning fees for each of these services tied to the payment account (hereinafter: the Fee Information Document). The Fee Information Document is sent, free of charge – in hardcopy or via another durable medium, in a manner that provides for proof of submission and shall be made available at the counters of the Bank's branches and its internet webpage.

At the Client's request, and free of charge, the Bank shall submit the Fee Information Document in hardcopy or via another durable medium.

No less than once per year, free of charge, the Bank shall submit to the Client, in the manner envisaged in the General Terms and Conditions relating to communication between the Bank and the Client, a statement containing all fees paid in relation to services linked to the payment account (hereinafter: Statement of Fees). At the request of the Client, the Bank shall submit the Statement of Fees in hardcopy.

## **11. Exchange rate**

For the conversion of local currency into foreign currency, the foreign currency into domestic currency and a foreign currency into another foreign currency, the Bank applies exchange rates from the exchange list of the Bank, which is valid at the time of conversion, unless the parties agree otherwise in a particular case in accordance with the Bank's offer.

The Exchange rates of the Bank are available at the website of the Bank and at the Bank's business premises.

For the conversion of currencies, as well as during the execution of payment transactions requiring the conversion of currencies, the following shall apply:

- the Bank's buying rate if the foreign currency is being converted to domestic currency,
- the Bank's selling rate if the domestic currency is being converted to foreign currency,
- If one foreign currency is used for the purchase of other foreign currency, the Bank's buying rate applies to the foreign currency with which the purchase is being done and which is converted into the local currency and then the Bank's selling rate applies to the foreign currency sold by the Bank, and the resulting amount of the local currency is converted to the other foreign currency.

## **12. Interest on funds on the current accounts of the Client**

On funds held in current accounts of Clients, the Bank does not calculate and does not pay interest, except in the event the individual contract prescribes otherwise.

## **13. Changes, term and termination of the Framework agreement**

The changes of the framework contract are made by introducing amendments and addenda to the General terms and conditions and/or the Pricelist and/or the Time Schedule. The Bank shall inform the Client about the amendments at least 15 days before the date of application. It is considered that the Client was notified on the day the written notice to the amendments was sent by post or courier service, sent via e-mail or on another durable medium. The notice shall be sent to the Client base on the contact data the Client provided to the Bank. By accepting these General Terms and Conditions, the Client agrees to use this way to exchange the Framework Agreement, where the amendments of the Framework Agreement shall enter into force on the day designated as the day of application.

If the amendments of the Framework Agreement pertain to the changes in interest rates or the exchange rates, the Client's agrees that the Bank may implement these changes immediately, without notice. Amendments and addenda to the individual contracts are made in the form of an annex.

The Framework agreement is concluded on a permanent basis and shall be terminated by consensual or unilateral termination. The Client agrees that the Bank may terminate the framework contract in all cases provided by the agreement on opening and maintenance of payment account, the agreement on a single additional service and the General terms and conditions. The provisions of the General Terms and Conditions defining the termination of business relations between the Bank and the Client shall also apply to the termination of the framework agreement. With the termination of the Framework agreement, all individual contracts which constitute its integral part also cease to be effective.

If the Client has entered into a contract on opening and managing the payment account with the Bank, the termination of one of these contracts does not lead to the termination of other contracts. The termination of individual supplementary service does not result in the termination of the contract on the opening and maintenance of the payment account, while the termination of the contract on opening and maintenance of the payment account is a prerequisite for the termination of all contracts for additional services that are related to the payment account.

## **XI. DEPOSITS**

### **1. General provisions**

The deposit represents a monetary liability of the Bank, dinar or foreign currency, arising from the deposit of funds on the current or other financial account, based on which a legal or contractual obligation of the Bank is created to return the funds. The conditions applicable to deposits, as well as the rights and obligations of the Bank and the Client are regulated by the Deposit agreement. The Bank shall pay interest to Client who deposits the funds with the Bank at a rate which is determined by the deposit agreement pursuant to which the Client deposits the funds with the Bank, the Price List and other general acts of the Bank.

### **2. Types of deposits**

The Bank opens and maintains the deposit accounts which are dedicated and not dedicated, which in terms of maturity may be divided into on demand savings accounts and fixed-term savings accounts.

The demand deposits of the Clients are considered to be the funds on the dinar current accounts with the Bank for which the maturity was not determined.

Time deposit is a deposit of funds over a specified time period. Term period begins on the day the deposit was deposited to the deposit account and ends exactly on the day when the agreed period expires, and if that is not a business day of the Bank, it shall end on the next bank working day. The currencies the Client may deposit the funds in with the Bank, the minimum amount of deposited funds and the maturity of deposits are determined by the Bank's Price List or the provisions of the individual contract. For term deposits, the Bank may, at the request of the Client, enter into a business relationship for the purpose of taking the funds deposited in other currencies than those specified in the Price List of the Bank, in which case all special conditions shall be provided for in the contract.

### **3. The currency in which the bank indexes the deposits and the exchange rate applied to calculation**

The Client's deposits from the deposit agreement entered into with a foreign currency clause, the Bank is indexing in EUR in dinar counter value at the middle rate of the Bank on the payment date or the middle rate of the Bank on the payment date. The Bank reserves the right, in each individual case, to approve different deposit indexing terms, which will be defined by the individual agreement between the Bank and the Client.

#### **4. The types of interest rates and criteria for change of variable interest rates**

For the dinar and foreign currency demand deposit accounts, a variable nominal interest rate shall be agreed. Interest rates for demand deposits can be determined in numerical (percentage) amount or as a reference interest rate decreased or increased by a certain number of percentage points. The interest calculation period starts from the day when the funds were deposited and ends on the day of payment of the funds, unless agreed otherwise.

The nominal interest rate for the term deposit is fixed and cannot be changed during the entire agreed depositing term. For deposits with agreed automatic extension of deposit term, for each new deposit term the bank shall accrue interest at a nominal interest rate prescribed by Bank's Price List applicable on the day of commencement of such period in respect of the period, the amount and currency.

#### **5. Calculation method and accrual of interest**

The Bank shall not calculate and assign interest on demand funds, unless an individual contract defines otherwise, in which case the Bank shall apply a linear method to calculate the interest, taking into account the actual number of days for the year of 365 days. Interest on deposits is calculated daily and credited to the Client's sub-account on the first working day of the month for the previous month. If the Client closes the current account before the end of the period (before the end of the last day of the month), the Client shall not be credited with the interest on deposits regardless of whether the individual days had more resources than the minimum prescribed for deposits in current accounts of the Client.

In calculation of interest on term deposit funds, the Bank shall apply a simple (proportional) method of calculation based on the actual number of days during the term, for the year of 360 days. Accrued interest on term deposits is paid to the crediting of the Client's current account at the end of a period specified in the contract or otherwise stipulated in the contract concluded between the bank and the Client.

#### **6. The manner and conditions under which the Client may dispose of the deposited funds**

The funds on the Client's current account are available to the Client immediately upon the execution of the payment transaction.

The changes in the amount of in demand deposits on the current account of the Client and the closing of the account are allowed at any time during the contract, limited by the execution of all the obligations towards the Bank in accordance with these General terms and conditions and the Contracts concluded between the Bank and the Client.

By entering into an agreement on term deposit, the Client agrees to deposit the agreed amount on the account with the Bank over a certain period of time. Duration of the term for term deposits, i.e. the date of commencement and expiry of such term, are determined by individual agreement in accordance with the Bank's Price List. Upon the expiry of the term period, the Bank shall credit the Client's current account with the amount of deposited principal and accrued interest.

A Client may dispose of term deposit funds during the deposit period, whereas the changes in the amount of deposit and closing of account are possible in accordance with the type of term deposit and provisions of the relevant agreement entered into between the Client and the Bank. Unless otherwise agreed in the contract signed between the Bank and the Client, the term deposit funds may be withdrawn early only under special circumstances, against the judgment of the Bank, at the Client's written request or in the cases provided for by the applicable legislation.

In the event of cancellation of term deposits, the Client shall not be credited with the interest, except in the event that the individual contract prescribes otherwise.

In case of cancellation of deposits in local currency with foreign currency clause (indexed deposits), which was deposited by the Client on term deposit account at the middle exchange rate of the National Bank of Serbia for EUR, the Bank shall, within two working days from the date of granting approval, pay the Client the funds at the buying rate of National Bank of Serbia on the day of cancellation of term. The above mentioned cancellation of term is possible only at the Client's written request before the expiry of the term of the contracted term deposits, with the approval of the Bank, whereby the customer will not be credited with the interest.

The Client may not close the dedicated term deposit account prior to the maturity provided for in the agreement entered into between the Bank and the Client, without a written consent of the Bank.

## **7. The amount of insured deposit**

At the time of adoption of the General terms and conditions, the provisions of the Deposit Insurance Act prescribed that in the event of bankruptcy or liquidation of the Bank, the Deposit Insurance Agency shall via the payout bank pay the amount of the insured deposits up to EUR 50,000.00 per depositor in the bank, on the grounds of the following deposit: insured dinar deposits in dinar counter value as per official middle exchange rate of Euro on the date of initiation of bankruptcy or liquidation of the Bank, secured foreign currency deposits deposited in euros and insured foreign currency deposits deposited in other currencies (other than euros), recalculated into euros at the exchange rate of Euro to each individual currency in which the deposits are placed, calculated at the official middle Dinar to Euro exchange and the official middle exchange rate of RSD to that currency, in force on the date of the initiation of the bankruptcy proceedings or liquidation of the Bank. The



insured amount is determined after the offsetting of claims between the depositor and the Bank. This provision does not apply to the clients who have been categorised as large companies according to the classification of the SBRA.

The integral part of these General Terms and Conditions is Overview of interest rates for deposits from legal entities which is determined by Decision on interest rates adopted by the Board of Directors of the Bank.

## **XII. CREDIT PRODUCTS**

### **1. Types of loans**

The Bank approves long-term and short-term loans that may be indexed, foreign currency or dinar loans.

### **2. Currency used for expressing / granting or indexing of the credit, exchange rate being applied and the rate adjustment periods and criteria for revaluation**

The loans granted by the Bank are indexed in EUR. The Bank reserves the right to include in its offer the loan indexing in other foreign currencies, in accordance with its business goals.

At payment and repayment of loans indexed in foreign currency, the Bank applies the following methods: a method of disbursement and repayment of the loan at a middle rate of the National Bank of Serbia on the day of payment or repayment of loan instalments.

### **3. Types and criteria for a change of interest rates**

A fixed or variable interest rate may be applied to the loans approved by the Bank to its Clients.

The fixed interest rate is expressed in the form of a specific percentage amount.

The variable interest rate consists of two elements: benchmark interest rate (EURIBOR, LIBOR, BELIBOR, benchmark interest rate of the National Bank of Serbia) and the margin.

The variable interest rate, contrary to the fixed interest rate, includes the variable element in itself (a benchmark interest rate) which does not depend on the Bank's business policy, but on the movements conditioned by the market which may not be influenced by the Bank or the Client, and which is being officially published.

EURIBOR is interbank reference interest rate applied in euro zone. It is determined by European Banking Federation and Financial Market Association. It is computed as the average of the interest rates within top panel banks offering funds for defined term, and it is published in Brussels on a daily basis and applied for two business days from the date of

publishing. Depending on the term of the offered funds, one-, two-, three week, monthly, quarterly, semi-annual, and the like EURIBOR is distinguished. Official data on the EURIBOR value are provided by Reuters, and the information may be found on the Internet page: [www.euribor.org](http://www.euribor.org)

The Bank may apply a monthly, quarterly, and semi-annual EURIBOR, including monthly, quarterly, and semi-annual updating of this datum. The frequency of change (updating) of this interest rate determines the frequency of the change of the total nominal interest rate.

LIBOR is a daily base rate based on the interest rate offered by the banks for lending to other banks on London banking money market. It is published by British Bankers Association on every business day. Depending on the term of the offered funds, one-, two-, three week, monthly, quarterly, semi-annual, and the like LIBOR is distinguished. Official data on the LIBOR value are provided by Reuters, and the information may be found on the Internet page: [www.bba.org.uk](http://www.bba.org.uk)

The Bank may apply a monthly, quarterly, and semi-annual LIBOR, including monthly, quarterly, and semi-annual updating of this datum. The frequency of change (updating) of this interest rate determines the frequency of the change of the total nominal interest rate.

BELIBOR is the benchmark interest rate for RSD funds offered by the banks' Panel on Serbian interbank market. BELIBOR rates are calculated on Reuter's system and announced every day at 11:00 a.m. i.e. at 11:15 a.m. as the arithmetic mean of the quotes which have remained after the elimination of the highest and lowest rate, with two decimal places. BELIBOR rates are announced on [www.thomsonreuters.rs](http://www.thomsonreuters.rs) every business day at 11:30 a.m.

The Bank may apply a monthly, quarterly, and semi-annual BELIBOR, including monthly, quarterly, and semi-annual updating of this datum. The frequency of change (updating) of this interest rate determines the frequency of the change of the total nominal interest rate.

The benchmark interest rate of the National Bank of Serbia is the highest i.e. the lowest interest rate applied by the National Bank of Serbia in the process of effecting repo transactions of the sale i.e. purchase of securities. The height of the benchmark interest rate is determined by the Decision of the National Bank of Serbia on determination of the benchmark interest rate. Adjustment is being made to the value determined by the National Bank of Serbia.

The adjustment to the monthly EURIBOR/LIBOR/BELIBOR shall be performed on the monthly level, where the value of EURIBOR/LIBOR/BELIBOR valid on the first day of the month shall be taken as a relevant value.

The adjustment to the quarterly EURIBOR/LIBOR/BELIBOR shall be performed on the quarterly basis, on the first day of January, April, July and October, where the value of EURIBOR/LIBOR/BELIBOR valid on the said day shall be taken as a relevant value.

The adjustment to the semi-annual EURIBOR/LIBOR/BELIBOR shall be performed on the semi-annual basis, on the first day of January and July, where the value of EURIBOR/LIBOR/BELIBOR valid on the said day shall be taken as a relevant value.

The adjusted value of the benchmark interest rate (EURIBOR/LIBOR/BELIBOR/Benchmark interest rate of the National Bank of Serbia) shall apply with the first day of the month or period for which the adjustment is performed.

The Bank shall inform the Client as the borrower about the change of the benchmark interest rates and about the new value, in the most appropriate manner including, but not limited to the delivery of electronic or SMS messages, the publication at the Bank's website [www.mirabankserbia.com](http://www.mirabankserbia.com), displaying of notices in the Bank's premises, taking over of such documents at the counters of the Bank. After the adjustment of the interest rate, the Bank would provide the Client as the borrower with a new repayment schedule.

If the Client does not resume with the repayment in accordance with the notice received from the Bank and/or new repayment schedule, the Bank is entitled to the right to terminate the contract on a particular credit product, and the Client shall be obliged, within 8 days after the receipt of the notice of the Bank on termination of contractual relationship, to repay the remaining debt on the credit product, together with accumulated interest and any other claims of the Bank, in accordance with the latest applicable repayment plan if such plan is provided for a particular credit product, i.e. in accordance with the notice received from the Bank if repayment plan is not issued for a particular credit product.

#### **4. The interest calculation method**

The Bank applies the simple (linear) method of interest calculation based on the actual number of days during the term, for the year of 365 days, for all types of loans and overdrafts, unless appropriate regulations prescribe the comfortable method as mandatory.

If the funds of the credit are used based on credit and other lines which are approved in cooperation with European Investment Bank, Fund of Revolving Credit of the Republic of Serbia or other similar institutions, the Bank will apply the interest calculation method prescribed for that particular credit line. The Bank and the Client will define their rights and obligations related to interest calculation method by provisions of the individual agreement which will be concluded in such situations.

#### **5. The amount of interest rates in case of Client's default**

In the event of default of the Client in the settlement of its obligations, the Bank shall calculate and collect a legal default interest. If the agreed interest rate is higher than the legal default interest rate, default interest accrual shall commence following the default of the Client and the Bank has the right to collect said.

## **6. Fees and other costs to be borne by the Client**

The Bank has the right to collect the following fees:

- for the loan application processing, as well as for the requests for overdraft on current account of a legal entity that depends on the type of loan/overdraft - in a percentage defined by the contract as a one-off payment, where the calculated amount does not change during the loan repayment period. The Bank reserves the right to change the amount of fee for the disbursement of loans granted after alteration of these fees in accordance with the Bank's business policy,
- the fee for monitoring the duly loan repayment, if this fee is provided for in the individual agreement, in a percentage defined by the contract which is to be paid periodically, in accordance with the provisions of the concluded individual agreement,
- the fee for unused portion of approved funds if this fee is stipulated by the individual agreement, in a percentage defined by the contract which is paid periodically, in accordance with the provisions of the concluded individual agreement,
- as well as other fees defined under individual agreements.

The other costs which are charged to the Client, are:

- costs of obtaining the report from the Credit Bureau of the Association of Serbian Banks as defined in the price list issued by the Credit Bureau of the Association of Serbian Banks,
- costs of the evaluation of the pledged property used as security for timely settlement of obligations under the contract on the credit product in question,
- the costs of obtaining the excerpts from the relevant land registry or the registry of pledges over movable things and rights,
- The expenses and fees paid for the realization of the pledge related to security claims, as well as the costs of cancellation of the mortgage (during the loan repayment) depending on the amount of the fees defined by legal regulations,
- the insurance costs for the real estate used as security instrument for the fulfilment of obligations undertaken under the contract on a particular credit product, insurance against fire, additional risk of water damage from a pipe and other risks (lightning, explosion, storm, hail, etc.). The Client undertakes to provide the Bank with evidence of payment of insurance premiums in accordance with the policy, to tie the insurance to the Bank, to pay the insurance premium regularly for the entire term of this contract and to regularly submit evidence to the Bank,
- the insurance of movable property that serves as security for the fulfilment of obligations under the contract on a particular credit product,
- costs of change of the security instruments and the loan repayment plan,
- the expenses for sending letters and notices (notification on unauthorized current account overdraft, sending SMS notification about the default on the loan product on the 10th day of delay, sending notice letters about the default on the loan

product on the 30th day of delay, the letter before the termination of the credit agreement, a notice of termination of loan, sending of garnishment for the guarantor) in writing or via SMS,

- other costs in accordance with the Bank's or third party's Price List.

In accordance with its business goals, the Bank may change the amount of costs determined by the Bank, once in a quarter.

## **7. The types of security instruments and the possibility of their replacement during the loan repayment period**

As a security of loans and other credit products, the Bank shall accept the following: joint and several guarantee, promissory note of the Client and the guarantor (if it is in accordance with the Bank's business policy), standing orders, pledge on movable property, shares, stocks and rights, pledge of immovable property, dedicated deposit means, bank guarantee issued by a first class bank, pledge to the bank (gold or jewellery with a certificate from a certified appraiser or other valuables which can be stored in a bank safe), foreign currency savings bonds, insurance of the pledge, insurance of the loans, other collaterals, depending on the nature of the business and current regulations.

The Bank may, based on the assessment of creditworthiness of the Client, for the entire duration of the contract on a particular credit product, ask for additional security instruments in accordance with the decision of the Credit Committee of the Bank.

The Client may during the term of the loan apply for the replacement of the security instruments, and the Bank shall, in accordance with the decision of the Credit Committee, analyse the offered security instrument and deliver a decision on acceptance or rejection of the same. If the Client disagrees with the decision of the Credit Committee on amending of the security instruments, the Bank reserves the right to terminate the contract. Each service of changing the security instrument is charged by the Bank as a one-off payment in the amount determined by the valid pricelist of the Bank.

## **8. Conditions for Loan Prepayment**

The Client may make early repayment of the entire loan amount or a part thereof provided that he submits a written request to the Bank and the Bank agrees with the premature repayment.

As of the day of early repayment, in addition to the principal amount, the Client shall be obliged to pay the accrued and unpaid interest on the outstanding principal as at the date of early repayment as well as the fee for the early repayment. The Bank has a discretionary right to decide on the amount of fee for early repayment of loan.

## **9. The conditions for the activation of security instruments and consequences of default**

Client shall return the loan amount together with the interest and any addition claims to the Bank in full, in monthly instalments and within deadlines established in the contract and / or in the current repayment plan which is an integral part and an important element of the contract on particular credit product, if the repayment plan is submitted to the Client for the credit product in question. If the Client fails to repay the loan in accordance with the repayment schedule and does not comply with any provision of the agreement and the provisions of the General terms and conditions, the Bank is entitled to the right to unilaterally terminate the agreement and collect its receivables by activating the given security instrument.

The Client agrees that, in the event that for any reason he fails to pay any due amounts or possible expenses incurred by the Bank due to the use of the security instrument for the collection of due but unpaid debt within the agreed period onto the account of the Bank, the Bank may automatically, without seeking special permission and approval, transfer the unpaid amount from all the Client's accounts kept by the Bank to the account of the Bank, as well as use all the security instruments provided to the Bank.

In the event that these obligations must be settled from the funds from the foreign currency accounts of the Client kept with the Bank, the Client agrees that the Bank may automatically, without further questions or need to grant its consent, make purchase of the foreign currency from his account with the Bank, at the buying rate of the Bank on the day of completion of the purchase -converting them into dinars, in the total amount of the Bank's receivables from the Client on the basis of the particular contract and thus settle the outstanding debt from the so obtained dinar amount.

The bank may activate the security instrument as set out in the preceding paragraphs even without the termination of the contract, in accordance with the decision of the Credit Committee of the Bank. On the day of unilateral termination, the outstanding loan becomes due, with all the accompanying interests and other costs that the Bank has and may have in the process of court and/or extrajudicial collection of overdue debts.

In order to collect its receivables, the Bank may initiate a court and/or non-judicial proceedings in accordance with the decision of the competent departments of the Bank.

During the loan repayment, the Bank has the right to sell or assign the receivables under the loan in question to a third party without requesting a special permission from the Client.

## **10. Guarantees and letters of credit**

To the Client, the Bank issues guarantees/letters of credit based on his order for issuing of guarantees/letters of credit, which contains the stamp of the Client and signature of authorized person in accordance with current legal regulations and the accepted banking

procedures for the issuing of guarantees / letters of credit, together with the submission of all necessary documents against the Bank's request and payment of the fees stipulated in the Contract for issuing of guarantees/letters of credit, including, but not limited to the fee for issuing of guarantees/letters of credit, processing of the application, alteration of the guarantee, protest of guarantee, foreign expenses, document review, default interest and other charges prescribed by the Bank's pricelist or in accordance with the provisions of the individual contracts.

If the Bank uses the services of another Bank to execute the instructions of the Client (principal), the Bank does so for the account and at the risk of the Client. The Bank assumes no obligation or liability for the event that the instructions given to a third bank are not implemented, even if it itself has taken the initiative in the choice of that other bank. The Client (principal) shall be obligated and responsible to reimburse the Bank for all the obligations and responsibilities imposed by foreign laws and customs.

If a claim has been raised against the Bank based on the guarantee issued by the bank against the order or for the account of the Client, the Bank is authorized to make payments obligations under the guarantee at the request of users of the same, without initiating any court proceedings or without the need to seek prior approval from the Client, in accordance with relevant laws, regulations, practices and conditions of the specific guarantees.

Documentary letters of credit the Bank opens to the Clients shall be subject to Uniform Customs and Practice for Documentary Credits, 2007 Revision, ICC Publication no. 600 (UCP), whereas the issued guarantees shall be subject to rules or regulations specifically defined under the provisions of individual agreements.

The Bank shall issue guarantees for the period duly defined under the provisions of individual agreements or applicable regulations.

### **11. Other provisions related to credit products**

The Client agrees that the Bank may at any time during the contractual relationship seek reports on the creditworthiness of the Client from the Credit Bureau. In such an event, the Bank shall debit the Client's account for the amount of the compensation for the obtaining of the report from the Credit bureau.

The Bank may, against the signed consent of the Client, activate the standing order service which can automatically debit the funds on all the Client's current accounts for regular operations with the Bank, and the Bank may itself transfer the due amount under the said contract onto the account of the Bank. The Bank may debit the account without delivering a special payment order. Standing order is processed in real time, i.e. automatically upon the incoming payment of any amount of funds which is sufficient to execute the full amount of the order in any of the Client's current accounts for regular operations held with the Bank and has priority over other payment orders, excluding forced collection. Standing order will

be realized under the funding permitted by the overdraft approved by the Bank prior and after the issuing of this standing order only with the prior consent of the Client. The Bank may cancel the standing order at any time. A standing order is valid from the date of its issue until the date of full settlement of all obligations undertaken in the specific loan agreement concluded between the bank and the Client.

If the instalment or other obligation of the Client is due on a non-working day or a public holiday, the Client shall make the payment on the last working day before a non-working day, i.e. holiday.

A loan, i.e. credit product, in terms of these General Terms and Conditions includes loans, overdrafts, cash limits on the current account, documentary products and guarantees and other credit products of the Bank which the Bank grants to legal persons.

The Integral part of these General Terms and Conditions is Overview of interest rates on loans for legal entities which is determined by Decision on interest rates adopted by the Board of Directors of the Bank.

### **XIII. FACTORING**

In accordance with local regulation, factoring shall be a financial service of buying and selling of existing non-matured or future short-term monetary receivable that arose from a contract of sale of goods or provision of services at home and abroad.

The subject of factoring may be any existing non-matured or future, whole or partial, short-term monetary receivable that arose from a contract of sale of goods or provision of services, concluded between legal persons and entrepreneurs. Short claim shall be a claim that matures within one year from the date of sale of goods or provision of services, defined by the contract of sale of goods or provision of services.

The Bank provide to the Client services related to domestic factoring which shall be consider as a factoring whose subject is the sale of receivables that arose in sale of goods or provision of services between domestic persons in the internal market, as a recourse or non-recourse factoring. Also, the Bank provide to the Client services related to reverse factoring, all in accordance with local regulation.

By the Factoring Agreement, the Bank and the Client define their rights and obligations related to this subject.

### **XIV. TERMINATION OF THE BUSINESS RELATIONSHIP**

The Bank and the Client may, at their sole discretion, at any time, by mutual agreement terminate their business relationship, with or without a notice period. The Client may



exercise such right only in the event that there are no debts towards the Bank and all its obligations have been settled.

The Bank is entitled to the right to terminate the contract on a specific banking product unilaterally in the event that:

- The Client does not pay its outstanding liabilities, including due principals, interests, one-time fees, costs and other amounts payable, within and in the manner specified in the agreement concluded between the Bank and the Client,
- The Client does not fulfil any of its obligations under the contract on credit product, especially when the Client fails to notify the Bank in writing about any change of its legal status, registered office, change of activity, changes in equity, change in ownership structure, the authorized persons and other significant changes that may affect the Client's creditworthiness and the contractual relationship between the Bank and the Client, and to immediately submit to the Bank the certified copies of all the changes and/or amendments to the statement from the relevant registries, with all the appendices,
- The Client provides incorrect information based on which the Bank has concluded the credit agreement with such Client, the Bank uses the analysis of the business situation and cash flows of the Client or otherwise to learn that the changes have occurred at the side of the Client which, in the opinion of the Bank, have or may have an impact on his creditworthiness and the ability to repay the loan,
- The Client no longer meets the requirements of creditworthiness,
- fails to regularly submit the financial statements to the Bank for all the calculation periods until full settlement of the receivables,
- the business activities performed do not comply with the safety, environmental, social, health, and labour legislation of the Republic of Serbia, and that Client's transactions are not in compliance with applicable regulations,
- The Client or a third party fails to duly execute its obligations under the contracts and statements used to regulate the security instruments,
- The Client fails to provide additional security instrument within the deadline set by the Bank calculated as of the date of receipt of the Bank's request to deliver additional security instruments,
- The Client uses the loan for the purpose different from the purpose specified in the Loan facility agreement,
- all or some of the documents which the Client presented to the Bank are not valid, complete, true and do not represent the real financial situation of the Client, as well as if they are the subject of dispute by any third party regarding their validity,
- The Client has paid an amount of money or gave any kind of property value to a bank officer or a third party in order to obtain the loan,
- The Client may use a written statement to withdraw the consent given to the Bank for obtaining a report from the Credit Bureau or consent to the processing of data in accordance with the Law on Protection of Personal Data,

- when the Client has given incorrect information and statements on its financial status, which were significant for the Bank's decision on approval and disbursement of the loan or the provision of other services or taking certain actions the Bank has exposed to the risk,
- when the Client does not provide the Bank with documentation determined by specific regulations governing the prevention of money laundering and financing of terrorism, or other applicable regulations,
- if the Client's financial situation deteriorates significantly or if there is a real possibility for such a situation, and if it puts at risk the proper fulfilment of its obligations towards the Bank,
- in the event of any breach of contractual obligations by the Client or a third party to the detriment of the Bank,
- if it is determined that the Client has underwent enforcement measures to restore international peace and security, in accordance with the resolutions of the Security Council of the United Nations,
- if there is suspicion that the Client is involved in the commission of offenses, including money laundering and financing of terrorism, or if it is determined that the client is on the lists that the Bank recognizes, in accordance with local and international regulations, concerning the prevention of money laundering and terrorist financing, if for any reason there is a reputational risk to the Bank if its business cooperation with the Client is continued,
- if there was not transaction on the Clients account longer than 180 days, the Bank may terminate contract on opening and maintaining account, and/or framework agreement with noticed period of 15 days from the day of informing in written about the termination to the Clients address that was previously reported to the Bank; in case that account has certain funds the Bank shall transfer such funds to the unallocated funds account or other appropriate account;
- the Client acts contrary to the regulations in force,
- in other cases provided by the law,
- in other cases provided by the regulations, including, but not limited to provisions of regulation governing the Bank's right of free choice of clients, as well as in accordance with provisions of individually concluded contracts.

The business relationship is terminated by adopting the decision of the competent committee of the Bank about the termination. The Bank shall send a notice of termination of the business relationship to the Client, and such submission of the notice shall be governed by the provisions of the General Terms and Conditions relating to the communication of the Bank and the Client.

On the day of unilateral termination, the outstanding loan or Bank's receivables under other products approved the Client become due, with all the accompanying interests and other costs that the Bank has and may have in the process of court and/or extrajudicial collection of overdue debts.

If the Client fails to meet its obligations, the Bank may initiate a court and/or extrajudicial proceeding for the collection of the entire amount of the remaining receivables. After the termination of the business relationship between the Bank and the Client, and provided full settlement of all obligations towards the Bank, the remaining funds in Client's accounts shall be made available to the Client.

The provisions contained herein applicable to the termination of business relations between the Bank and the Client shall also apply to partial termination of business relations between the Bank and the Client, whereas the provisions of these General Terms and Conditions shall apply accordingly and after the termination of the business relationship between the Bank and the Client, until final settlement of mutual rights and obligations.

#### **XV. ASSIGNMENT OF RECEIVABLES**

The Bank may, under the conditions specified by the regulations, assign its claims from the Client to a third party, of which the Client (debtor) has to be informed in accordance with the regulations.

#### **XVI. APPLICABLE LAW AND JURISDICTION**

The interpretation of contracts and other legal relations, as well as the resolution of the disputed relationship between the Bank and the Client is performed by applying the laws and regulations of the Republic of Serbia, unless otherwise agreed.

Any dispute between the Bank and the Client shall be resolved by the court chosen according to the headquarters of the Bank, unless agreed otherwise.

#### **XVII. FINAL PROVISIONS**

The General Terms and Conditions are made publicly available to the Clients and are considered as published on the date when they are published in a visible place in the Bank, and are also available on the website of the Bank and at the Client's request. It is believed that the customer is familiar with the contents of the General Terms and Conditions published in this manner and that any instruction given to the Bank by the Client constitutes the acceptance of these General Terms and Conditions.

The General Terms and Conditions are published in Serbian and English language, and in the event of any disagreement or different interpretation of versions in Serbian and English language version, the version in the Serbian language shall prevail.

The Bank shall be obliged to provide its Clients with appropriate explanations and instructions relating to the application of the General terms and conditions.

This document is made in Serbian and English version and in case of difference interpretation Serbian version shall prevail.

The provisions of these General Terms and Conditions shall take effect as of 5 October 2019.