
GENERAL BUSINESS REGULATIONS PROCREDIT BANK A.D. BELGRADE APPLICABLE TO BUSINESS WITH PRIVATE INDIVIDUAS - SECTION DEFINING CREDIT PRODUCTS**1. Introductory Provisions**

The General Business Regulations of ProCredit Bank a.d. Belgrade (hereinafter: the Bank) are applied to business between the Bank and clients, private individuals (hereinafter: client).

This section of the General Business Regulations refers to: establishment, changes and termination of the business relationship, rights, obligations and responsibilities of the Bank and the client, communication between the Bank and the client, and related to credit products: Deposit Agreement, Loan Agreement, FlexFund (Overdraft) Agreement, or the Credit Card Issue and Use Agreement (hereinafter: credit products). An integral part of these General Business Regulations is the Price List for Price List for Private Individuals (PIs) - interest rates on credit services (Annex 2).

2. Pre-contractual phase

The Bank shall inform the beneficiary, and the future client, in the pre-contractual phase, i.e., provide information and appropriate clarifications concerning the conditions related to credit products (hereinafter: the offer), in a manner that shall enable the beneficiary to compare the offers of various providers of the same services and evaluate whether these conditions suit their needs and financial situation, but which not mislead the beneficiary at any point.

The Bank shall offer the service to the beneficiary in RSD, unless the beneficiary requests that the service be offered in the RSD equivalent of a foreign currency, that is, in a foreign currency (FX), in accordance with the regulations governing foreign exchange operations. The Bank shall inform the beneficiary in writing of the risks they assume when the service is provided in the RSD equivalent of a foreign currency, that is, in a foreign currency.

Before concluding a Loan Agreement or a Credit Card Issue and Use Agreement, the Bank shall deliver the offer, that is, the information and the draft of this Agreement to the person who intends to provide a means of security (guarantee, promissory note, Attachment of Salary, etc.), except for loans where the beneficiary of the loan is simultaneously the owner of the item that is the subject of a pledge, that is, a mortgage, or is to become the owner of the item on the grounds of a purchase transaction the realisation of which would result in the approval of said loan.

Before concluding an agreement for any credit product, the Bank shall assess the beneficiary's creditworthiness, based on the data they have provided and insight into the database concerning the beneficiary's indebtedness, and the Bank performs this on the grounds of the beneficiary's signed consent.

If the contractual parties agree to increase the beneficiary's credit indebtedness - the Bank shall re-evaluate the creditworthiness of said beneficiary. In case of rejection on the grounds of creditworthiness, the Bank shall inform the beneficiary immediately, in writing, of the data contained in the aforementioned database, free of charge.

3. Establishment and modification of the contractual relationship

The business relationship between the Bank and the client is established by concluding an agreement in written form, online or in another appropriate form, which is prescribed by the Bank's internal acts, including the use of the web application, and which the contractual parties have agreed to.

If, during the term of the contractual relationship, there is a need to amend one of the mandatory elements of the agreement, defined by the corresponding regulation, the Bank shall obtain the prior written consent of the client before applying said amendment, and if the client does not agree with the proposed amendment, the Bank cannot unilaterally amend the mandatory element of the agreement.

If the Bank wishes to amend any other element of the agreement, which does not have the property of a mandatory element of the agreement, which are defined by the relevant regulation, the Bank has the right to amend such elements, provided that it has previously informed the client of this change in a timely manner. It will be considered that the Bank has notified the client of the amendment in question in a timely manner, by delivering the notification to the address the client previously reported to the Bank, to the e-mail address, via SMS message or in any other way provided for in the General Business Regulations for communication between the Bank and the client.

The beneficiary has the right to receive from the financial service provider, in written form or on another permanent data carrier, free of charge, information, data and instructions related to their contractual relationship with the Bank, in the manner and within the terms established under the agreement.

Every six months, the Bank shall send clients - private individuals a notice listing the balance of the debt incurred under concluded loan agreements or credit cards, as well as upon the client's request, at which time the notice shall be charged according to the valid Price List for PIs.

If the client has a FlexFund (overdraft), the Bank shall send the client a notice - a bank statement including all the transactions on their account, free of charge and at least once per month, in writing, or via another permanent data carrier, or immediately, at the client's request, which shall be charged according to the valid Price List.

During the period for which the agreement has been concluded, the client has the right to receive a copy of the loan repayment schedule, free of charge, in the event of a change in the repayment plan, or once a year if the repayment schedule has not been changed.

4. Types of loans

The Bank approves: cash loans, consumer loans, car loans, loans for adaptation and reconstruction, housing loans, FlexFund (overdraft).

Depending on the type and purpose, the Bank's credit products can be dedicated and non-dedicated, long-term and short-term, indexed and non-indexed.

5. Credit payment cards

The Bank issues credit cards (hereinafter: the card) to clients on the grounds of a filled in Credit Card Application Form. The card is issued on the basis of the fulfilment of the prescribed conditions for its issuance and on the basis of the submitted documentation that confirms the client's ability to pay all expenses and obligations arising from the use of the card on time, and after the submittal of contractual security instruments. The Bank reserves the right to request other documents, if necessary, in accordance with applicable regulations or the Bank's needs. The Bank also reserves the right not to approve the card issuance application without explanation.

After the approval of the request for issuing the card, the Bank and the client will conclude the Credit Card Issue and Use Agreement (hereinafter: the Agreement). The card is issued for a period of validity of two years and is valid until the last day of the month indicated on it.

The card is the exclusive property of the Bank, which may demand its return from the client or from any third party. The card is exclusively in the name of the client and is non-transferable. In addition to the primary card, additional cards may be issued for the same account at the sole request and with the consent of the client, according to the Bank's business policy. When receiving the card, the client shall sign it, otherwise the card shall be considered invalid. The client bears all legal responsibilities for the unauthorised use of the card issued in their name, including all additional cards.

The card may only be used within the validity period indicated on the card itself. In the event that the client does not cancel the use of the card within 45 days prior to the expiration date indicated on the card, and the Bank has not denied the client further use, the Agreement is automatically renewed and the card is reissued with a new validity period of two years. The card shall not be automatically renewed if it is blocked 45 days before the expiry date or if the Bank, based on the agreed conditions, decides that it should not be automatically renewed.

The client can use the card for the non-cash payment of goods and services in the country and abroad. The Bank is not responsible for the quality of goods and services paid with the card. The card may also be used to withdraw cash, at a fee for the associated costs. Domestic and international cash withdrawals are limited by a defined limit at the ATMs. The card may be used to pay and/or withdraw cash only within the limits set by the card. Using a PIN is considered a client signature. When using ATM services, an electronic record made by the ATM is proof of the completed transaction.

The Bank emphasises in particular that payment transactions initiated by using the card in a manner excluding the client's personal presence (via the Internet, ordering by mail/telephone, subscription, etc.) represent risky payment transactions and the client makes them solely at their own risk and responsibility and shall bear and cover all losses or damage that may arise due to such transactions, in accordance with the provisions regulating liability for an unauthorised payment transaction made using a payment instrument.

The Bank reserves the right to contact the card client to verify the legitimacy of a transaction, and to protect the client from possible misuse.

The client may not use the card as a pledge or a means of security. Any use of the card contrary to the law, including the payment of goods and/or services prohibited by law, is punishable.

For the use of the card, the Bank grants the client borrowings/a spending limit based on the principle of a revolving loan with an agreed monthly repayment percentage (hereinafter: the outstanding amount). The borrowing amount/spending limit is approved in RSD. Borrowings/a credit card spending limit may be approved in accordance with the client's request and creditworthiness. If the means of securing the credit card is a guarantee deposit, in this case the borrowings/credit card spending limit is approved in the RSD equivalent value of the guarantee deposit calculated at the Bank's middle exchange rate on the day the credit card is issued. The Bank may, with the prior consent of the client, change the amount of the borrowings/limit per card if the conditions provided for in these General Business Regulations concerning the termination of an Agreement on a Specific Credit Product are met. The Bank shall settle domestic and international liabilities incurred through the use of the card in the RSD, according to the submitted reports on outstanding obligations, which shall be delivered to the client once a month. If the client uses the card abroad, the debit amount will be calculated at the Bank's selling rate for the effective date of the payment.

The client shall pay the due amount directly into the card account or shall provide a sufficient amount of funds in their current account to settle the outstanding obligations, as a percentage of the total debt incurred through the use of the card, along with any of the Bank's associated costs and fees.

For the use of funds on the credit card, the Bank calculates fixed interest at the nominal annual interest rate, which is defined in the Price list for Pls - credit services (Annex 2).

The types and amounts of all fees and other costs are shown in the valid Price List for Pls (Annexes 1 and 2).

Complaints related to the debiting of the client's account resulting from card use are to be submitted by the client to the Bank in writing, along with the submission of appropriate documentation. The deadline for complaints depends on the type of card and the rules of card companies. The Bank cannot consider untimely submitted complaints. Complaints do not delay the debiting of the client's account.

In case of disappearance, loss or theft of the credit card, the client shall immediately report this to the Bank in one of the following ways: by calling the Bank's Online Center at the following phone numbers: 0 700 700 000 - for calls from landlines in the Republic of Serbia or +381 (0)11 20 57 000 - for international calls and calls from mobile phones; by sending a request from a registered e-mail address; through eBanking; by submitting a written request to the Bank's branch, after which the Bank shall take measures to prevent further misuse.

In the event of a change in the client's personal data, the client may submit a request for a new card within the framework of the existing contractual relationship.

The Bank and the client can terminate the agreement up to 45 days prior to the expiry of the card's validity period, whereby the card cancellation process lasts 30 days from the day of delivery of the written Agreement Termination Notice to the counterparty and the return of the card to the Bank. The agreement ceases to be valid after the expiration of the 30-day period, provided that all transactions, as well as all potential accompanying costs and interests, have been settled in full.

If the client terminates the agreement in a period shorter than the period of 45 days before the expiry of the validity of the card, the client shall bear the costs of having the card reissued.

In addition to the other conditions of termination of the business relationship defined in these General Business Regulations, the Bank may deny the right to use the card and may terminate the agreement with the client if the client or persons authorised by the client to dispose of funds on the account to which the card is linked do not comply with the provisions of the Credit Card Issue and Use Agreement and these General Business Regulations. The client shall immediately destroy the primary and additional cards upon receipt of the notice of cancellation. At any moment, the client can terminate the Agreement and cancel the use of the card in accordance with the conditions stipulated in these General Business Regulations. The client must submit a request for termination of the agreement in writing and must destroy (cut up) the primary and additional cards. In the event that the client requests the early repayment of the debt, termination of the agreement, and thus cancellation of the card, the costs of cancelling the card shall be borne by the client.

In the event of termination of the Credit Card Issue and Use Agreement, on the day of agreement termination, the entire amount of the approved limit shall become due for payment, along with the accrued interest and fees, and the client assumes the obligation to settle all of the Bank's receivables immediately upon receipt of the Notice.

These General Business Regulations are an integral part of the Credit Card Application Form. By signing the request for the issuance of a credit payment card, the client confirms that they are familiar with and agree with all provisions of the General Business Regulations. The client shall act conscientiously and with the consideration of a prudent owner and shall maintain the confidentiality of all data related to the use of the card in question and shall not hand it over to third parties. The client shall check whether the subject card is in their possession daily, as well as their account balance, to which the card is linked, all aiming to prevent the misuse of the card and/or its unauthorised disposal. The client is familiar and agrees that they may access their account balance to view any changes on the account daily, without limitation, through the use of services, such as online banking, mobile banking, telephone banking and the like and the client shall use said services. Should the client fail to act in the aforementioned manner, they shall be held liable for any damage which may ensue on their account as a result of said or similar failure.

All rights and obligations that apply to payment cards and are defined in the General Business Regulations - the section defining payment services, shall apply and shall apply to credit cards as well.

6. The minimum and maximum amount of credit approved

The minimum and maximum credit amount granted to the client depends on the type of loan and the client's creditworthiness and needs. The smallest and largest loan amounts granted to private individuals are determined by the type of credit products:

- Cash loans from RSD 120,000 to RSD 3,500,000; (equivalent in EUR) (Online loans from RSD 120,000 to RSD 600,000), with maturity between 12-71 months
- Consumer loans with a pro-forma invoice from RSD 120,000 to RSD 3,500,000 (equivalent in EUR), with a maturity between 12-71 months
- Car loans with a pro-forma invoice from RSD 120,000 to RSD 5,850,000 (equivalent in EUR), with maturity between 12-95 months
- Loans for adaptation and reconstruction with a pro-forma invoice (including loans from the credit line in collaboration with {2} the European Bank for Reconstruction and Development (EBRD), from RSD 120,000 to RSD 5,850,000 (equivalent in EUR), with maturity between 12-180 months
Housing loan issued from the Bank's financial capabilities / with NKOSK with a Purchase Agreement from RSD 2,300,000 (equivalent in EUR); with maturity between 96-360 months

For FlexFund (overdraft), the minimum amount is RSD 36,000.00 with maturity of 12 months. The maximum amount of the FlexFund approved by the Bank depends on the client's earnings and creditworthiness. Deviations from standard conditions require special approval from the Bank in accordance with authorisation. Limits set in EUR are indexed at the middle exchange rate of the National Bank of Serbia on the day the funds of the specific credit product are disbursed.

The Bank's internal acts define the conditions for using credit products and the minimum amount of earnings necessary for using credit products.

NKOSK - National Mortgage Insurance Corporation of Serbia; a loan insurance premium issued by NKOSK depends on the following: LTV ratio, whether the object is registered/unregistered, whether the client has life insurance. If the loan beneficiary does not have life insurance in favour of (or bound to) the Bank, the above premiums are increased by 0.25%. If the object of the mortgage is an object under construction, the above premiums are increased by 0.50%. If the subject of the mortgage is an object legalised on the grounds of the Law on Planning and Construction, based on the minimum required technical documentation as stipulated in Articles 188, 189 and 191, the specified premiums are increased by 0.15%. If the degree of the credit indebtedness of the borrower and co-debtors is equal to or greater than 60%, the aforementioned premiums are increased by 0.50%. If the degree of credit indebtedness of the borrower and co-debtors is equal to or greater than 70%, the aforementioned premiums are increased by 1.00%. If the degree of credit indebtedness of the borrower and co-debtors is equal to or greater than 80%, the specified premiums are increased by 1.50%, but only if it is 80% or higher.

For beneficiaries of credit services that utilise these products on the grounds of on a 100% deposit, the interest rate on the deposit is 0.00%

7. Currency in which the loan is issued/approved or indexed, the exchange rate applied and exchange rate adjustment periods

The Bank grants clients RSD loans that can be non-indexed or indexed in foreign currency. The Bank indexes loans in EUR currency. When disbursing and repaying loans, the Bank applies the middle exchange rate of the National Bank of Serbia.

8. Types of nominal interest rates

Depending on the loan type, maturity and amount, the Bank pays out loans with a variable (floating) or fixed, and combined interest rate. A variable or floating interest rate can be linked to a change in the corresponding interest rate (EURIBOR, BELIBOR). Interest linked to the reference interest rate consists of the reference interest rate and a margin that is fixed.

9. Range of annual nominal interest rates

The amount of nominal interest rates depends on the type, maturity and purpose of the credit product and on whether it is an indexed loan or an RSD loan.

The amount of the nominal interest rate for individual credit products is defined in the Price list for PIs - credit services (Annex 2), which is an integral part of these General Business Regulations of the Bank.

10. Criteria for changing the interest rate

The Bank adjusts the nominal annual interest rate, which is agreed as a variable (floating) rate, to the movement of the 6M EURIBOR and the 3M BELIBOR, depending on the type of loan.

Alignment with the **6M EURIBOR** is performed every six months by applying the rates published on 1 December and 1 June, i.e., the first following business day, if these dates fall on a non-business day. This newly determined 6M EURIBOR applies to the calculation of annuities maturing within the coming 6-month period, in relation to the months of December and June. The Bank sends its clients a Notice of Compliance in accordance with this item, along with a new repayment schedule.

When disbursing new loans, the newly established reference interest rate is applied, in the manner described in the previous paragraph, starting from disbursement on 6 December, up to disbursement on 5 June, and the interest rate published for 1 December applies. Likewise, it is applied starting from loan disbursements on 6 June, up to disbursements on 5 December, applying the interest rate published for 1 June.

Alignment with the **3M BELIBOR** is performed quarterly by applying the rates published on 1 December, 1 March, 1 June and 1 September, i.e., the first following business day if these dates fall on a non-business day. This newly determined 3M BELIBOR applies to the calculation of annuities maturing within the coming 3-month period, in relation to the months of December, March, June and September. The Bank sends its clients a Notice of Compliance in accordance with this item, along with a new repayment schedule.

When disbursing new loans, the newly established reference interest rate, in the manner described in the previous paragraph, is applied as follows: starting from disbursements on 6 December, up to disbursements on 5 March, applying the interest rate published for 1 December, starting from disbursements on 6 March, up to disbursements on 5 June applying the interest rate published for 1 March, starting from loan disbursements on 6 June, up to disbursements on 5 September, applying the interest rate published for 1 June, and starting from disbursements on 6 September, up to disbursements on 5 December, applying the interest rate published for 1 September.

11. Method of interest calculation

Interest is calculated at the nominal interest rate on the unsettled principal amount, i.e. the used amount of the FlexFund (overdraft) on the current account or the approved credit card limit, taking into account the actual number of calendar days in the period from the previous instalment to the outstanding instalment (applicable to loans), i.e. in the period from the previous until the following interest calculation (for FlexFund (overdraft) and credit cards). The Bank applies the proportional interest calculation method on all loan types, except the FlexFund (overdraft) on the current account of private individuals and credit cards issued to private individuals, where it applies the compound method.

12. The amount of interest rates in the event of client default

In the event of default by the client, the Bank applies the statutory default interest.

13. Types and amounts, i.e. the range of all fees and other costs that are included in the calculation of the effective interest rate and borne by the client

In calculating the effective interest rate, in addition to the nominal interest rate, the loan amount and the repayment period, the Bank includes the following fees and costs, in accordance with the bylaws of the National Bank of Serbia:

- a fee for processing the insurance application with the National Mortgage Insurance Corporation of Serbia (NKOSK) and the fee for the insurance premium issued by this same institution if the client is the beneficiary of a home loan insured by NKOSK,
- the costs of obtaining reports from the Credit Bureau of the Association of Serbian Banks, which are defined in the price list issued by the Credit Bureau of the Association of Serbian Banks, which the Bank will automatically debit from the client's account
- the costs of assessing the value of the subject of the pledge, which serves as a guarantee of the orderly settlement of obligations arising from the Agreement on a Specific Credit Product,
- the costs of obtaining an excerpt from the relevant real estate register or the register of pledges on movable property and rights,
- costs and fees associated with establishing pledges linked to securing receivables,
- the costs of real estate insurance, which is the subject of ensuring the orderly fulfilment of obligations assumed under the agreement on a specific credit product, against fire, additional risk of indoor flooding caused by indoor plumbing and other risks (lightning strike, explosion, storm, hail, etc.), and the client undertakes to submit to the Bank proof of payment of the insurance premium in accordance with the policy, and to bind the insurance policy in favour of the Bank, to pay the insurance premium regularly for the entire term of the agreement and to duly submit proof of said regular payments to the Bank,
- the costs of insuring movable property, which is the subject of securing the orderly fulfilment of the obligations assumed under the Agreement on a Specific Credit Product,
- costs of opening and maintaining a Total account (the mentioned costs are included in the FlexFund (overdraft) EIR, while they are not included in the calculation of the EIR for any other credit product. In the event that the client is not the beneficiary of the FlexFund (overdraft), but only of the loan, the previously mentioned cost is included in the EIR calculation)
- loan processing fee
- costs of the client's promissory notes

Other costs that are not included in the calculation of the effective interest rate and are borne by the client are the costs of regularly sending reminders to clients. Types and amounts of all fees and other costs provided in the Price List for PIs are variable.

14. Types of collateral and the possibility of their replacement during the loan repayment period, as well as costs the client may incur on these grounds

To collateralise its loans or secure other credit products, the Bank may accept the following:

- joint surety or guarantee of a private individual or legal entity,
- (electronic) promissory notes issued on behalf of the client and the surety (guarantor),
- Attachment of Salary on both the client and the surety (guarantor),
- pledge on movable property, shares ownership interests and rights,
- pledge on real estate,
- dedicated deposit funds,
- bank guarantee issued by a first-class Bank,
- pledge to the Bank (gold or jewellery with a certificate from an authorised appraiser or other valuable items that may be stored in the Bank's safe),
- old FX savings bonds,
- insurance on the subject of pledge,
- loan insurance,
- other collateral, depending on the nature of the specific business and applicable regulations.

The client concludes an Agreement on the Use of the eBills of Exchange Central Registry Service, if they use eBills, all in accordance with the prescribed mode of operation and conditions stipulated in the eBill Central Registry's Business Plan.

The Bank reserves the right to change or add the types of collateral that it accepts as appropriate when approving credit products to clients and restructuring client's debt during the loan repayment period. For the entire duration of the Agreement on a Specific Credit Product, the Bank may request that the client provide additional security instruments, not stipulated in this Article, in line with a decision rendered by the Bank's Credit Committee. For the duration of the loan, the client may submit a request to exchange the collateral, and the Bank shall analyse the offered collateral and render a decision on whether to accept or not to accept said collateral as appropriate, in line with the Decision issued by the Credit Committee. The Bank charges a one-time fee on each change of collateral, according to the valid Price List.

15. Conditions for early loan repayment and costs

The client may execute the early repayment of the loan in the full amount of the loan or its parts under the condition that they submit a written request to the Bank, in accordance with the Price List for Pls.

The Bank shall accept the request for early loan repayment only if on the day of early loan repayment, the client has sufficient funds necessary to cover said early repayment available on their account.

On the day of early loan repayment, the client shall pay the Bank the accrued, unsettled interest on the principal debt amount concluded on the day of early loan repayment.

The Bank does not charge a fee for early repayment in the case of a FlexFund (Overdraft) Agreement, a Credit Card Issue and Use Agreement, as well as when the early repayment of the loan is executed in the period when a variable nominal interest rate has been agreed, except for loans granted for the purchase of real estate.

There is no fee for the early repayment of loans with a variable (floating) interest rate (with the exception of housing loans). An early loan repayment fee is charged if: a fixed nominal interest rate is agreed per loan; if the object of the purchase is real estate and a fixed or variable (floating) nominal interest rate is agreed upon, then the fee amount is: 0.5% (if the period between early repayment and the deadline for fulfilling the obligation arising from the Loan Agreement is less than 1 year and the early repayment amount exceeds RSD 1,000,000); 1.0% (if the period between early repayment and the deadline for fulfilling the obligation arising from the Loan Agreement exceeds 1 year, with the additional condition that the early repayment amount exceeds RSD 1,000,000).

At the client's request, the Bank approves loan refinancing services, which is performed quickly and efficiently. The client may refinance a loan, their FlexFund (overdraft) and/or credit card with another bank, in accordance with the Instructions of the National Bank of Serbia issued on 01.07.2021.

16. Conditions for withdrawing from a concluded loan agreement, FlexFund (overdraft) and credit card

The client may withdraw from a concluded Loan Agreement, FlexFund (Overdraft) Agreement or Credit Card Issue and Use Agreement, within 14 days from the date of concluding the agreement, without having to provide reasons for the withdrawal. If the Loan Agreement has been collateralised via a mortgage, or in the case of an agreement the subject of which is the sale/purchase of property, the client may withdraw from the agreement if the client has not put the loan i.e. financing to use.

The client shall be obliged to notify the Bank of their intention to withdraw from the agreement and to do so prior to the expiry of the aforementioned period, and to do so in a manner that confirms the receipt of this notification, whereby the receipt date of said notification shall be considered the date of withdrawal from the Agreement, and in written form or other durable medium used for the transfer of data.

The client who is the beneficiary of a FlexFund (overdraft) shall immediately, no later than within 30 days from the day the notification is sent, return the principal amount and interest from its primary operations for the term of use of said product.

The Bank has the right to the mentioned fees and expenses incurred with the competent authorities, as well as to the compensation of the actual expenses it incurred in connection with the conclusion of the agreement, with the fact that the client shall be informed of the actual expenses before concluding the Loan Agreement.

17. Conditions for collateral activation and consequences of defaulting on obligations

The client shall repay the approved funds with interest and any potential incidental expenses to the Bank in full, in the amounts and according to the terms and the manner described in the agreement and/or the applicable repayment schedule which is an integral part and an important element of the Agreement on a Specific Credit Product, if a repayment schedule has been compiled for the specific credit product. Should the client fail to repay the loan in line with the repayment schedule and if the client fails to adhere to any provision of the specific agreement and the provisions of the General Business Regulations, the Bank has the right to unilaterally terminate the agreement and collect its receivables by activating the provided collateral. The client agrees to the following: in the event that, for any reason, the client fails to pay all due amounts and any other potential costs of the Bank arising through the activation of collateral to collect outstanding debt that has not been settled within the agreed period, into the Bank's account, the Bank may, automatically, without the need to obtain special permission or consent, transfer the outstanding amount from all of the client's accounts held at the Bank into the account of the Bank and for collection purposes, may activate/use all provided forms of collateral.

In the event that the aforementioned obligations must be settled from funds available on the client's FX account held at the Bank, the client hereby provides the Bank with an unconditional and irrevocable order allowing the Bank to automatically, without the need for to ask for further approval or consent, purchase foreign currency from the Borrower's account held at the Bank, at the middle exchange rate of the Bank on the day of purchase-conversion into the RSD equivalent, in the total amount of Bank receivables towards the client which arise under the specific agreement and to settle receivables from the RSD amount received as a result of this exchange.

The Bank may also activate collateral as stipulated in previous paragraphs without terminating the Agreement, in line with the decision of the Bank's Credit Committee.

On the day of unilateral termination of the Agreement, the remaining portion of the loan with all accrued interest and other costs that the Bank has and may incur in the process of judicial and/or extrajudicial collection of due receivables shall become outstanding and due for payment.

To collect its receivables, the Bank may initiate judicial and/or extrajudicial proceedings, in accordance with the decision of the competent department of the Bank.

In the event that the client fails to settle their obligations toward the Bank in a timely manner, the Bank has the right to assign such receivables to a third party, in line with applicable regulations. The Bank shall notify the client of the performed assignment.

18. Conditions and procedure for termination/cancellation of loan agreement, FlexFund (overdraft), credit card, as well as the reasons the Bank may demand the client settle their obligations in full prior to the end of the agreed period

The Bank has the right to unilaterally terminate the Agreement on a Specific Credit Product, and shall inform the client of the termination, in the event that:

- the client fails to settle due obligations, including the outstanding principal, interest, one-off fees, costs and other payable amounts, within the time limit and in the manner determined under the Loan Agreement or other credit product, which was concluded between the Bank and the client,
- if the client's earnings are reduced or the client stops receiving a salary (earnings) via the account held with the Bank,
- the client submits inaccurate data on which basis the Bank concluded the Loan Agreement;
- in analysing the client's business situation and cash flows or through any other means of analysis depending on the type of client, the Bank discovers that the client has experienced some changes (including, but not limited to, the loss of regular monthly income due to the loss of employment) which, in the opinion of the Bank have or may have an impact on their creditworthiness and ability to properly settle the loan obligations,
- the client ceases to fulfil the conditions of creditworthiness;
- the client fails to adequately fulfil the obligations they assumed under agreements and statements in terms of regulating collateral,
- the client fails to provide additional collateral, within the period specified by the Bank, counting from the day of receipt of the Bank's request for the delivery of additional collateral,
- the client utilises the loan for purposes that differ from those described in the loan agreement,
- the client is involved in any sort of judicial or other proceedings, the outcome of which may have a negative impact on the repayment of the subject loan or on the client's assets in general terms,
- a criminal dispute has been filed against the client, if the client is under criminal investigation, and/or if they have been convicted by a criminal court,

- some or all of the documents submitted to the Bank are invalid, incomplete, false and do not illustrate the client's true financial situation and if they are the subject of dispute by any third party, and in relation to their validity,
- the client gave an officer of the Bank or a third party any cash amount or property value for the purpose of receiving the loan,
- the client provides a written statement withdrawing the consent given to the Bank for obtaining a report from the Credit Bureau or consent to the processing of personal data that is necessary for the establishment or performance of a contractual relationship or the Bank's obligations,
- without the prior consent of the Bank the client disposes of moveable property over which the Bank has a pledge, which shall entail criminal liability,
- from the period between loan approval to final loan repayment, the client failed to provide access to Bank representatives and representatives of the Bank's shareholders, access to pledged moveable and/or immoveable property for the purpose of determining the state of the pledges;
- acts contrary to applicable regulations.

The business relationship is terminated by the decision of the competent Board of the Bank on termination. The Bank shall send the client a Termination Notice relevant to the specific business relationship, and the provisions of the General Business Regulations relating to communication between the Bank and the client shall be applied accordingly to the delivery of said Notice.

On the day of unilateral termination of the Agreement, by either contracting party, the remaining portion of the loan, i.e. the Bank's receivables arising from other products approved to the client, with all accrued interest and other costs that the Bank has and may incur in the process of judicial and/or extrajudicial collection of outstanding receivables, becomes due for payment. If the client fails to settle their obligations, the Bank may initiate judicial and/or extrajudicial proceedings for the collection of the entire amount of the remaining receivables.

Once the business relationship between the Bank and the client is terminated and under the condition of full settlement of all the client's obligations toward the Bank, the remaining funds in the client's accounts shall be made available to them.

The provisions contained herein that apply to the termination of the business relationship between the Bank and the client shall apply accordingly to the partial termination of the contractual relationship between the Bank and the client, and the provisions of these General Business Regulations shall apply accordingly even after the termination of the business relationship between the Bank and the client, and all until the final settlement of mutual rights and obligations.

19. Other provisions related to credit products

The client agrees that the Bank may download reports on the client's creditworthiness from the Credit Bureau at any time during the term of the contractual relationship, as well as during the automatic extension of the validity of said relationship. In these cases, the Bank shall debit the client's account in the amount of the fee applicable to obtaining the Credit Bureau report.

With the client's signed consent, the Bank may activate a standing order by which it may automatically debit funds from all of the client's current accounts for regular business maintained with the Bank, and the Bank itself may transfer the due amount stipulated in the aforementioned agreement to the Bank's account.

If the instalment or other obligation of the client is due on a non-business day or a national holiday, the client shall make the payment on the first following business day preceding the non-business day.

By virtue of these General Business Regulations, credit products are understood as loans, credit cards, FlexFund (overdraft), documentary products and guarantees and other credit products offered by the Bank.

A portion of the Bank's funds earmarked for lending have been financed by the German Federal Ministry for Economic Cooperation and Development (BMZ) through the European Fund for Serbia, which is managed by KfW.

The Bank shall provide potential clients in the pre-contractual phase with written information concerning the documentation that beneficiaries are required to submit with their Credit Product Application Form. The Bank shall inform the client when the submitted documentation is complete when applying for a specific loan. The Bank shall decide on the loan application within 45 days from the date of submission of the complete documentation.

The Bank has the right to assign its receivables toward the client, in accordance with applicable regulations. The Bank must notify the client of the assignment.

20. Related loan agreements

In the case of a related agreement if the client withdraws from a Purchase of Goods Agreement, the seller shall inform the Bank of the withdrawal from said agreement, i.e. the provision of services, within 8 days, and the Bank shall return the settled amount of the loan with interest, which the beneficiary repaid up to the moment of withdrawal from said agreement to the beneficiary without delay, and no later than within 30 days from the day when it was informed of the withdrawal. In the event of concluding a Purchase of Goods Agreement or a Service Provision Agreement, and the loan issued on the basis of the related agreement is not approved, then the Purchase of Goods

Agreement or the Service Provision Agreement is terminated, unless the person for whom the loan was not approved decides to keep the agreement in effect.

21. The right to the return of collateral, i.e. security instruments

The client, that is, the provider of collateral or security instruments, has the right to take over the unused collateral provided under the agreement, including collateral entered in the appropriate register, after full settlement of the client's obligations toward the Bank arising from a specific agreement.

The Bank shall inform the client, or the guarantor in writing, that the client has settled all their obligations arising from the Agreement, within 30 days from the date of settlement of obligations, and to instruct them to approach the Bank based on a prior written request and take over the unutilised collateral.

22. Jurisdiction to enact

the General Business Regulations of the Bank and their amendments are rendered by the Board of Directors, as well as by another body in accordance with the authority of the Board of Directors.

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