

Effective from 31.05.2021.

Pursuant to Article 73, Paragraph 1, Item 5 of the Law on Banks (Official Gazette no. 107/2005, 91/2010 and 14/2015) and Article 33, Paragraph 3, Item 5 of the Articles of Association of Banca Intesa a.d. Beograd, the Board of Directors of Banca Intesa a.d. Beograd adopted the following

**GENERAL OPERATING TERMS AND CONDITIONS OF  
BANCA INTESA AD BEOGRAD  
FOR CREDIT TRANSACTIONS**

**INTRODUCTORY PROVISIONS****Content of Bank's General Operating Terms and Conditions for Credit Transactions**

(1) These General Terms and Conditions define: standard terms and conditions applicable to all clients of Banca Intesa ad Beograd (hereinafter referred to as: the Bank), the conditions for establishment of client/Bank relationship for all business transaction, the communication procedure between the client and the Bank and other operating terms and conditions of the Bank applied to client operations which are standard conditions applicable to all clients and incorporated in written acts of the Bank.

General Operating Terms and Conditions of the Bank for credit transactions (hereinafter referred to as: the General Terms and Conditions) shall also mean standard conditions of specific products and services of the Bank, as well as acts defining the fees and other costs the Bank charges to its clients.

**Competence for adoption**

(1) General Operating Terms and Conditions of the Bank and their amendments shall be adopted by the Board of Directors.

The Executive Board may adopt the general act from point 1.1, paragraph 2 between two regular meetings of the Board of Directors. The Board of Directors shall approve the decision of Executive Board at the next regular meeting.

**Entry into Force and Publication of the General Terms and Conditions**

(1) The General Terms and Conditions may be applied 15 days, at the earliest, from the date of their publication, by displaying them at visible location in Bank's branches, i.e. on the website of the Bank, including the possibility of displaying acts in electronic form on public screens at Bank's branches.

**Application of the General Operating Terms and Conditions of the Bank**

(1) The General Terms and Conditions apply to Bank/client relationship arising from:

- a) written agreement between the Bank and the client,
- b) admission form or other document signed by the client,
- c) other types of business cooperation between the Bank and the client established in accordance with applicable regulations, without establishment of a written contractual relationship.

The Bank is obliged to provide the client with relevant explanations and instructions related to application of the General Terms and Conditions in terms of particular financial service, and to, at the request of the client, provide him/her the conditions without delay in writing or on any other durable medium.

The General Terms and Conditions shall directly apply to all rights and obligations from the contractual relation between the Bank and the client which are not regulated by the agreement. If a client is an individual, the General Terms and Conditions may directly apply to contractual elements not prescribed as compulsory.

Durable medium within the meaning of the General Terms and Conditions, means any instrument that enables the client to store data related to him/her, to access such data and to reproduce it in an unmodified form within the period corresponding to the purpose of storage.

### **Relations between the Agreement and the General Terms and Conditions**

(1) In case of any discrepancy between the concluded agreement and the General Terms and Conditions, relations between the Bank and the Client shall be primarily governed by the provisions of the concluded agreement, and then by the provisions of the General Terms and Conditions.

### **Definition of the Term Bank Client**

(1) Bank client is a legal entity or an individual which uses or has been using the services of the Bank or a person which contacted the Bank in order to use such services and which is identified by the Bank as such.

The following clients are considered individuals within the meaning of paragraph 1 of this point:

- a) an individual which uses, has used or intends to use these services for purposes other than its business or other commercial activities;
- b) an entrepreneur, within the meaning of the law regulating business companies;
- c) a farmer, as a holder or member of family agricultural household within the meaning of the law regulating agriculture and rural development;

(hereinafter referred to as: individual).

(3) Unless otherwise provided by these General Terms and Conditions, the word "client" shall be used to describe both a legal entity and individual – Bank Client.

### **Bank/Client Relationship**

(1) In operating with clients, the Bank shall pay special attention to providing detailed, accurate and unambiguous information to clients related to Bank's products, in accordance with regulations and good business customs, good business practice and fair attitude to client, especially if a client is an individual.

Implementation of the General Terms and Conditions shall be ensured through the written agreement concluded between the Bank and client.

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**Obligations of the Bank**

(1) The Bank is obliged to act with due care, in accordance with applicable regulations and its acts in business relations with the client, ensuring application of good business customs, good business practice and fair attitude to the client, as well as compliance of these terms and conditions with the regulations.

The Bank does not assume obligations and responsibilities other than those regulated by the General Terms and Conditions, except if it is provided by applicable regulations or acts of the Bank, i.e. if agreed in writing between the client and the Bank.

The Bank is obliged to act at written orders and instructions of the client, if they are in compliance with applicable regulations and the General Terms and Conditions.

*Obligations of the Bank Concerning Product and Services Advertising and  
Providing Information to Client*

*General provisions*

(1) The Bank is obliged to inform the client on its products and services in clear and understandable way, and such notices shall not contain any incorrect information, i.e. information which may be misleading regarding the terms and conditions under which the client can use such products and services.

In order to comply with the principle of transparent operations and to provide as complete as possible information to the client on products and services of the Bank, as well as on rights and obligations of clients in terms of these products and services, the Bank shall without delay display on visible place in the Bank's branches, i.e. on the Bank's website, the following acts, as amended from time to time:

- a) the applicable exchange rate list;
- b) notification on exchange operations in Serbia and English language for individuals;
- c) effective interest rates by products, calculated in accordance with relevant regulations;
- d) the tariff of fees for all products;
- e) acts of the Bank, i.e. excerpts from relevant acts regulating Bank's products and services terms and conditions, as well as any other information necessary to establish business relations between the Bank and its clients.

The Bank informs clients and potential clients on its products and services:

- f) by submitting, serving, i.e. making available to the client the information and advertising material (brochures, leaflets, electronic messages, etc) in Bank's business premises and website, or in any other appropriate way;
- g) by advertising in mass media;
- h) through direct written or oral communication (direct communication with the client is performed in the Bank's business premises, via the Bank's official phone or the Bank's call centre by speaking to the competent employee);
- i) by any other appropriate means of business presentation, advertising and communication.

Informing of clients according with line a), c) and d) from previous paragraph, Bank will do with acceptance of client according with part 12 of this General Terms and Conditions.

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The Bank notifies the client on business relationship the client has established or intends to establish with the Bank in the manner provided in article 5.1 of the General Terms and Conditions.

*Specific Obligations of the Bank Concerning Product and Service Advertising and Providing the Information to the Client - Individual*

(1) The Client has the right to receive understandable and clear information, data and instructions related to business relationship with the Bank, free of charge, in writing or on any other durable media, in the manner and within terms provided by the agreement.

When advertising credit products through advertising message which contains interest rate or any figure related to the price, the Bank shall clearly and precisely specify by means of representative example the following:

- a) type of loan;
- b) level and variability of annual nominal interest rate;
- c) effective interest rate;
- d) currency in which the loan is agreed;
- e) period for which the loan is agreed;
- f) criteria for loan indexation;
- g) total amount of loan;
- h) all costs payable by the client.

If the advertising contains the amount of effective interest rate, it should be indicated or written in such way that it is more prominent than other elements.

Advertising referred to in paragraph 2 of this article means advertising within the meaning of regulations on advertising – advertising in public media, in the Bank's premises in the form of brochures, promotional leaflets etc and/or on the Bank's website.

If conclusion of the agreement on ancillary services (especially insurance agreement) is necessary for conclusion of the loan agreement, and cost of ancillary services cannot be determined in advance – such obligation shall be included in the agreement in a clear, concise and prominent way, in addition to the effective interest rate.

If a loan with nominal interest rate of 0% is advertised, all terms under such loan is granted must be specified.

When advertising, the Bank shall not use terms which indicate that a loan is free or similar terms, if granting such loan depends on conclusion of another agreement or on any other costs for the client or if it creates any other obligation.

The Bank shall also apply all other detailed conditions of products and services advertising, prescribed by the NBS.

*Cases of Exclusion of Liability of the Bank for Damages Suffered by the Client*

(1) The bank is not liable for damage arising from the business relationship between the Bank and the client:

- a) if it results from force majeure event, war, state of emergency, strike and other circumstances beyond reasonable control of the Bank;
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- b) if it arises from acts of competent state authorities domestically or abroad, i.e. as a result of disruption of operations which the Bank could not prevent or avoid;
- c) if it arises from client's business moves made based on oral communication with the Bank or written communication which does not stipulate unconditional liability of the Bank.

*Other obligations of the Bank*

In the pre-contractual phase, the Bank shall also present in writing to its client – natural entity information about the documentation that the client needs to submit to apply for a loan and shall inform the client without delay in writing or by e-mail about whether proper and complete documentation accompanying the loan application has been submitted.

- 1) The Bank shall make its decision on proper loan application within the time limit of:
  - 30 (thirty) business days of the day when the proper application was made for a loan secured by a mortgage on a real estate – if the client is a natural entity using these services, has used them or intends to use such services for purposes that are not intended for business or other commercial operations
  - b. 30 (thirty) business days of the day when the proper application was made for a loan secured by a mortgage on a real estate or a pledge on moveables – if the client is an entrepreneur within the meaning of the law regulating companies and if the client is a farmer as head or a member of an agricultural holding within the meaning of the law regulating agriculture and rural development.

Business days shall be all days from Monday to Friday, excluding state holidays that are bank holidays in accordance with the positive regulations of the Republic of Serbia.

- 2) The Bank also has other obligations related to its relationship with the client which are provided by law, the General Terms and Conditions and the agreement concluded with the client.

**Rights of the Bank**

- (1) The Bank has the right to:
  - a) based on assessment of competent units of the Bank and decisions of its bodies, select, at its own discretion, clients with which it will establish business relations, which includes discretionary right to refuse to conclude the agreement and/or provide services to the client;
  - b) block, in part or in whole and without client's consent, possible use of the services and products, due to reasons provided by anti-money laundering and terrorism financing regulations and/or acting in accordance with international sanctions against particular country, in accordance with applicable regulations and Intesa Sanpaolo Group policy;
  - c) forward the contractual data, data on client and its related parties, data on documents comprising the agreement file, including those considered a banking secret, to central data base of Intesa Sanpaolo Group, members of its bodies, all shareholders, employees of the Bank, external auditor of the Bank, other persons on a need-to-know basis, as well as third parties with which the Bank concluded confidentiality agreements.

The Bank is authorized to dispose with funds placed on client's accounts without special written consent or orders from the client in the following cases:

- d) in enforced collection procedure, for collection under final and executive decisions of court and other state authorities;
  - e) in other prescribed cases.
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## **OBLIGATIONS AND RIGHTS OF THE CLIENT**

### **Obligations of the Client**

(1) Bank's Client – a legal entity or individual which carrying out business activity, which is not registered with the Business Registers Agency, but with other agencies and organizations, shall notify the Bank on any status changes or any other changes within 3 (three) days from the date it receives the decision on registration of such change. Client – individual is obliged to notify the Bank within 15 (fifteen) days on changes of the following information: permanent or temporary residence, name and surname, employer, contact information and other personal information it provided to the Bank.

Client of the Bank - entrepreneur, farmer or legal entity is also obliged to notify the Bank within 3 (three) days from the date changes have been made on any other changes which affect or could affect client's smooth performance of operations with the Bank and/or on Bank's ability to meet its obligations provided by regulations, the General Terms and conditions and the agreement concluded with the client while the Client - individual is obliged to inform the Bank within 15 (fifteen) days from the date changes have been made, about other changes that affect or could affect the smooth operation of the client's business through the Bank, or the possibility for the Bank to fulfill its obligations in accordance with regulations, General Terms and concluded agreements with the client.

Notification on change from paragraph 1 and 2 of this article is submitted in writing or directly communicated to competent employee of the Bank. In urgent cases notification is given by phone, without delay, and with obligatory confirmation of the information submitted in the manner provided by article 5.2 of the General Terms and Conditions.

At the moment the business relation with the Bank is established and at any subsequent request of the Bank during the business relationship, the client shall submit true and authentic documents, data and statements provided by law and the General Terms and Conditions.

Client shall submit clear and unambiguous orders to the Bank in writing or in any other agreed form, and in accordance with applicable regulations. If a client needs urgent execution of order, he/she must provide specific notice to the Bank at the time the order is issued. If the Bank assesses that it is not able to execute an order within agreed or usual term, it shall immediately notify the client thereof.

The client covers all damages arising from:

- a) unclear or ambiguous orders issued to the Bank;
- b) failure to comply with its obligation to notify the Bank in accordance with the General Terms and Conditions.

The Client shall immediately check accuracy and completeness of reports and notices received from the Bank. If the client has any objection to the same, it is entitled to file a complaint within agreed time period (or reasonable time period, if no period is agreed), and otherwise the document submitted by the Bank shall be deemed accepted. A method of delivery of the reports and other documents of the Bank shall be defined in the agreement between the Client and the Bank or in any other appropriate way which expresses will of the client regarding the submission.

The client also has other obligations related to its relationship with the Bank which are provided by law, the General Terms and Conditions and the agreement concluded with the Bank.

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**Rights of the Client***General principles*

- (1) The client has the right to:
  - a) be treated as equal to the Bank;
  - b) be protected from discrimination;
  - c) be informed ;
  - d) defined or definable contractual obligations;
  - e) protection of rights and interests.

*Right to be informed*

- (1) The client has the right to request from the Bank, orally or in writing (through regular mail, email or fax) and receive, free of charge, in writing or any other durable media, understandable and clear information, data and instructions regarding its business relation with the Bank, in the manner and within the terms specified in the agreement, which particularly applies to the information on:
  - a) loan balance;
  - b) interest rates and fees for particular transaction;
  - c) conditions for approval of particular banking product;
  - d) documents necessary to be submitted to the Bank;
  - e) other issues related to the General Terms and Conditions, Bank's products and specific business relation between the client and the Bank.
- (2) The client has the right to request, at any time during the term of agreement, copy of the agreement and to change channel of communication with the Bank, except if it is contrary to the provisions of the agreement or incompatible with product/service type.

The client also has other rights related to its relationship with the Bank which are provided by law, the General Terms and Conditions and the agreement concluded with the Bank.

**CONTRACTUAL RELATIONSHIP BETWEEN THE BANK AND THE CLIENT****Bank's Offer for Conclusion of Contractual Relationship with the Client***General provisions*

- (1) The Bank shall, at request of the client, provide all information and appropriate explanations on conditions of the agreement on provision of banking services, as well as offer for conclusion of contractual relationship, in the manner that will not be misleading to the client, as well as to provide all requested information on conditions for loan granting.

*Specific provisions on the Bank's offer for conclusions of contractual relationship with the client - individual*

- (1) The Bank is obliged to:
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- a) provide the offer for conclusion of the agreement to the client, in the manner which allows the client to compare offers from different banks and assess if the agreement suits its needs and financial situation;
- b) offer service to the client in dinars, except if the client requests the service to be offered in dinar counter value of foreign currency, i.e. in foreign currency, in accordance with regulations on foreign exchange operations.

The Bank is obliged to inform the client in writing on risks it assumes when services are provided in dinar counter-value of foreign currency, i.e. in foreign currency.

In case of an offer for conclusion of loan agreement, for which the client has showed interest, offer is prepared in prescribed form, on paper or other durable media and shall contain data prescribed by the Law on the Protection of Financial Services Consumers (hereinafter referred to as: the Law).

The Bank shall notify the client which intends to conclude the agreement with the Bank that it can receive, at the request, draft version of the agreement – as a proposal for its conclusion.

Before conclusion of the loan Agreement the Bank is obliged to submit the offer, i.e. information to the person intending to provide collateral (guarantee, bill of exchange, administrative ban, etc.), except for loan where the borrower is at the same time the owner of the subject of pledge, i.e. mortgage or will become the owner of the assets based on purchase transaction for which realization loan is granted.

The client accepts the conditions from the Bank's offer by submitting written request for conclusion of the agreement.

#### *Assessment of client's creditworthiness - individual*

(1) Before conclusion of the loan agreement the Bank assess client's creditworthiness based on data it provided and by reviewing the database to acquire information on client's debt, upon the written consent of the client.

If the contracting parties agree to increase indebtedness, the Bank shall reassess client's creditworthiness.

If loan application is rejected based on review of database mentioned in paragraph 1 of this article, the Bank shall immediately notify the client in writing on data obtained from the database.

The database mentioned in paragraph 1 of this article also contains data process with prior written consent of the client, and, in particular, data on its indebtedness with financial institutions and regular fulfilment of liabilities arising from financial services.

In order to ensure reliability of database mentioned in paragraph 1 of this article, the Bank shall regularly submit and update data stored in the database, and shall be liable for accuracy of such data.

### **Conclusion of the Agreement between the Bank and the Client**

#### *General provisions*

(1) An agreement between the Bank and the client shall be prepared in writing or on any other durable medium and includes conditions from the offer the client accepted. The agreement shall stipulate the number of counterparts each party shall receive.

Provisions of the agreement must be clear, complete, precise, unambiguous and understandable for the client, and the subject of client's obligations must be defined, i.e. definable in such manner that the client may at any time be informed on circumstances, manner and conditions under/in which its obligations/other agreed conditions may be changed.

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*Definability of pecuniary contractual obligations*

- (1) In a contractual relationship between the Bank and the client – individual, pecuniary contractual obligation is definable in terms of its amount if it depends on agreed variable elements, i.e. variable and fixed elements, where variable elements are those that are officially published (e.g. reference interest rate, consumer price index, etc.). Pecuniary contractual obligations is definable in terms of time, if its maturity may be determined based on the agreed contractual elements.
- (2) Elements referred to in the previous paragraph must be of such nature that they cannot be affected by unilateral will of any party.
- (3) The Bank is obliged to display value of agreed variable elements mentioned in paragraph 1 of this article in its business premises and on its website on a daily basis.
- (4) The agreements cannot contain reference to the General Terms and Conditions, business policy or other acts of the Bank with respect to elements prescribed by the Law to be compulsory contractual elements and provisions by which the client waives the rights guaranteed by the Law.
- (5) The Bank conducts subsequent internal checks in terms of consistent application of conditions of the agreement related to product cost during the entire term of the agreement.
- (6) If the checks mentioned in the previous paragraph show that calculated cost is not in accordance with the agreement, conditions which are more favourable to the client shall apply and the difference paid to the client.

*Right of withdrawal*

- (1) The client has the right to withdraw from the concluded loan agreement within 14 days from date of the agreement, without giving any reasons for withdrawal.
- (2) In case of a loan agreement secured by a mortgage, as well as for agreement which subject is purchase, i.e. financing of purchase of real estate, the client may withdraw from the agreement provided he/she has not started to used the loan and/or financing.
- (3) When withdrawing from the agreement referred to in paragraph 1 of this article, and before expiration of the term referred therein, the client shall notify the Bank on its intention to withdraw, in the manner which confirms the receipt, where date of the notice is considered the date of withdrawal from the agreement. This notification shall be in writing or on any other durable medium.
- (4) The client who withdraws from the loan agreement shall immediately, and no later than 30 days from the date notification from paragraph 3 hereof has been sent, repay to the Bank the principal and interest accrued under the main transaction for the period the loan has been used.
- (5) The Bank shall not be entitled to other fees, except for fees provided by paragraph 3 of this article and costs incurred with competent authorities, and in case from paragraph 2 of this article the Bank shall be entitled to reimbursement of costs related to conclusion of the loan agreement and the client shall be informed about these actual costs before the conclusion of the loan agreement.

If the bank, under the concluded agreement, also provides any ancillary services related to financial services referred to in paragraph 1 and 2 of this article, the client shall no longer be bound by the agreement on ancillary services if the client exercises the right of withdrawal from the main agreement in accordance with the Law and provisions hereof.

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- (1) Loan agreement contains compulsory elements provided by the Law.
- (2) For the loan agreement, fees and other costs, if variable, must depend on officially published agreed elements (e.g. reference interest rate, consumer price index, etc.) of such nature that its value cannot be affected by unilateral will of any party.
- (3) On conclusion of the loan agreement, in addition to the agreement the Bank shall submit one copy of loan repayment schedule and summary of compulsory elements of loan, containing basic information on loan.

#### *Notifying the client during the contractual relationship*

##### *A) Changes to compulsory elements of the agreement*

- (1) If the Bank intends to change any of compulsory elements of the agreement, it shall obtain prior written consent of the client. If the client does not agree with the change, the Bank may not, due to this reason, unilaterally change terms of the agreement, nor unilaterally terminate or cancel the agreement.
- (2) Notwithstanding paragraph 1 of this article, if the level of fixed interest rate or fixed element of variable interest rate, i.e. the amount of fees and other costs are changed in favour of the client – such changes may be applied immediately and without client's prior consent.
- (3) In case referred to in paragraph 2 of this article, the Bank shall immediately provide notice to the client in writing or on any other durable medium, and such notice shall contain the date from which the changes shall be applied.
- (4) If level of fixed interest rate or fixed element of variable interest rate is changed in favour of the client, amended loan repayment schedule should be submitted to the client in addition to the notice mentioned in paragraph 3 of this article.

##### *B) Changes to other elements of the agreement*

- (1) The Bank shall notify the Client in due time and in the agreed manner on changes in data that do not constitute compulsory elements of the agreement prescribed by the Law.

##### *C) Notification on variable nominal interest rate*

- (1) If a variable nominal interest rate is agreed, the Bank shall notify the client on change of such rate in writing or on any other durable medium, before it starts to implement the changed interest rate, i.e. periodically in accordance with the agreement, and such notice should include the date from which such changed interest rate is applied. In case of loan agreement, in addition to the notice provided in writing or on any other durable medium the Bank shall also provide to the client the changed loan repayment schedule. The Bank shall, at the request of the client, make him/her available loan repayment schedule for the entire duration of the agreement and free of charge.
  - (2) The obligation of providing notification from the previous paragraph also applies if variable elements which affect the amount of other pecuniary obligations are changed.
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*D) Notification on outstanding loan debt*

(1) The bank shall every six months submit to the client, free of charge, information on outstanding debt under the loan agreement, which contains data on the amount of principal, interest rate, fees, etc, expressed individually, as well as data on total debt balance for particular date.

*E) Notification on exchange rate movement*

(1) The Bank shall at least once a year notify borrowers using the loan in dinar counter-value of foreign currency on dinar exchange rate movement during the reporting period, according to data obtained and which can be checked in official sources.

*Obligation of storing the agreement and contractual documentation*

(1) The Bank shall store the agreement and contractual document referring to the client in client's file (offer, draft agreement, summary of compulsory elements, repayment schedule, annex to the agreement with new repayment schedule, notices, warnings, etc.).

**Amendments to the Agreement between the Bank and the Client**

(1) The agreement between the Bank and the client may be amended at proposal of the Bank in case of change of circumstances which existed at the moment of conclusion, which particularly applies to the following:

- a) criteria for indexation and/or revaluation of loan and periods in which these criteria are adjusted;
- b) type and level of nominal interest rates applied by the Bank;
- c) method used for calculation of interest;
- d) interest rate applied by the Bank in case of default;
- e) type and level of contracted fees and other costs borne by the client;
- f) type of collateral and possibility of replacement during the term of the agreement;
- g) early loan repayment and related fees;
- h) conditions for activation of collateral, as well as consequences in case the client fails to settle its liabilities;
- i) conditions and procedure for termination of the agreement, as well as reasons due to which the Bank may request the client to settle its liabilities in full and before expiration of the agreed period;
- j) other agreed provisions subject to condition changes.

Changes in conditions from paragraph 1 of this article particularly mean changes of market conditions which in any significant way affect Bank's operation, and especially its deposit or credit operations, i.e. level, calculation, amount and collection of interest, fees and other costs, as well as other conditions of the agreement between the Bank and the client. Such changes include, for example:

- k) changes of refinancing terms for the Bank;
  - l) increase of the Bank's mandatory reserves pursuant to the requests of the National Bank of Serbia (hereinafter referred to as: NBS);
  - m) changes on domestic or foreign money markets;
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- n) changes in financing conditions pursuant to the requests of NBS, European Central Bank or any other similar institution;
- o) entry into force of regulations having the force of law or by-law;
- p) other changes in market conditions which have any significant effect on agreed conditions between the Bank and the client.

In the contractual relationship between the Bank and the client – individual, the Bank may agree on variability of client's pecuniary obligations (interest, fee and other costs) in terms of its amount, only if such change depends on the elements officially published (e.g. reference interest rate, consumer price index, etc.).

Elements referred to in the previous paragraph of this article are defined by the agreement and must be of such nature that they cannot be affected by unilateral will of any of the parties.

The Bank shall display the value of agreed variable elements referred to in paragraph 3 of this article in business premises where it provides services to its clients and on its website on a daily basis.

In the procedure of amending the agreement the Bank shall act in accordance with applicable regulations and in the spirit of good business customs and Bank's Code of Ethics, as well as in accordance with principles of conscientiousness, honesty and equal value of mutual concessions of the parties and, in that sense, equality and comparability of conditions the parties took into consideration at the time of entering into the agreement, with the basic objective of preventing any damage due to the effect of changed conditions, both for the client and the Bank.

#### **Termination of the Agreement between the Bank and the Client**

- (1) The client and the Bank may terminate the concluded agreement:
  - a) by written consent of contracting parties;
  - b) unilaterally – by written statement of one of the parties.

##### *Termination of the agreement between the Bank and the client by mutual consent*

- (1) The Bank and the client may terminate contractual relationship by written mutual consent, i.e. by concluding an annex to the existing agreement or separate agreement or arrangement by which they will unconditionally agree on termination and regulate mutual relations regarding the agreement being terminated, in such manner that no disputes between contracting parties could arise.

##### *Termination of the agreement by client's statement*

- (1) The client has the right to unilaterally terminate the agreement in accordance with the law in cases provided in the agreement concluded between the Bank and the client and the General Terms and Conditions.

##### *Termination of the agreement by Bank's statement*

- (1) The Bank may unilaterally terminate the agreement concluded with the client, if one of the following conditions for termination is met:
    - a) the client provides incorrect information, i.e. false statements; documents important for concluding this Agreement and/or the assessment of client's creditworthiness to the Bank;
    - b) the client fails to meet any obligation under this Agreement 15 (fifteen) days of receiving a warning thereof from the Bank;
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- c) the client fails to comply with request of the Bank for submission or establishment of additional collateral within the period defined by the Bank, or fails to reassess actual collaterals for receivables over which the Bank established a lien, within the period provided by the law and bylaws;
- d) if assets are used for purposes other than those approved by the Bank;
- e) the client is in default longer than 60 days under any other agreement with the Bank;
- f) if circumstance which could negatively affect client's ability to regularly perform its contractual obligations have occurred or are likely to occur, i.e. if the client's risk class deteriorates according to the NBS regulation on the classification of Bank's assets;
- g) the client fails to act in accordance with point 3.1 paragraph 1 to 3 of the General Terms and Conditions;
- h) circumstances arise, as laid down by regulations and procedures on the prevention of money laundering and terrorism financing and compliance with international sanctions against certain countries, under which the Bank is entitled and obliged to terminate its business relation with the client, including, among other:
  - establishing that a client is on official terrorist and other negative lists, in accordance with the domestic and international regulations on the prevention of money laundering and terrorism financing
  - if, within a provided or reasonable time frame, a client fails to submit data, data about itself, about its real owners, its business operations, origin of funds and nature/purpose of its business relation with the Bank and/or transaction that is carried out through the Bank.
- i) if a business relation significantly increases the reputational risk to the Banks business (including, but not limited to, knowing that the User has committed a criminal act, that he is engaged in dishonest activities or his appearances in public statement are not in accordance with the principles of discrimination prohibition, promotion of equality and respect for human and minority rights);
- j) if a client's behaviour on the business premises of the bank interferes with the work of the employees or hinders the Bank's business process;
- k) if a client fails to meet its legal or contractual obligations to the Bank.

*Legal consequences of termination of contractual relationship*

(1) In case of termination of the agreement all client's liabilities to the Bank under the agreement shall become due and payable, with maturity period of 30 days from the date notice of the Bank on the matter is received, and the abovementioned maturity period shall at the same time be deemed as the notice period.

In case of termination of contractual relationship, the Bank shall provide a written notification to the client in the manner which ensures confirmation of the receipt:

- a) on the type and the amount of client's liabilities under the agreement being terminated, on the date of calculation, with a note that the amount of liabilities will be increased in accordance with calculation until the date of their payment, as well as that the client may receive information on final calculation in the Bank by providing necessary information for contact with competent organizational unit of the Bank;
  - b) on the period in which the client shall settle all liabilities under the terminated agreement, defined in accordance with paragraph 1 of this article;
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- c) on the Bank's right to activate, in case the client fails to meet its liabilities in the timer period from the previous indent, collateral deliver to the Bank or established to the benefit of the Bank, in accordance with the agreement.

Settlement of liabilities in accordance with the Bank's notice from paragraph 2 of this article does not mean that the Bank waives its right to compensation of any possible damages in accordance with law.

After termination of the contractual relationship, the Bank makes remaining funds related to terminated contractual relationship (funds, collateral, etc) available to the client, provided that the client settled all liabilities to the Bank in full.

## **SERVICE OF NOTICES**

### **Service of Notices to the Client by the Bank**

(1) The Bank serves to the client notices, reports and other data and documentation related to the business relationship the client established or intends to establish with the Bank in writing to the address of client's registered offices, i.e. by email, SMS or fax messages or in any other appropriate manner which is in compliance with necessary requirements of providing complete and clear information, as well as data confidentiality and secrecy and protection of client's – individuals' personal data.

The Bank performs service of notices from paragraph 1 of this article in accordance with the order or consent of the client and according to the latest data submitted.

Order of consent from the previous Paragraph hereof shall be given by the Client to the Bank directly in the Bank's premises, in written form, in verbal form through the Bank's Contact center, i.e. through the Bank's applications for electronic or mobile banking.

If the client fails to timely notify the Bank on change of data such as address, phone numbers, fax and fax numbers, email address and other data, and which have been submitted to the Bank for service of notices, as well as on other data which affect or could affect regular service, serving of notices conducted by the bank in accordance with available data shall be considered regular, and any obligations of the Bank to the client arising from or in connections with serving of notices shall be considered performed:

- a) at the date of submission of notices to the post office (for sending as registered shipment), i.e. to the company registered for delivery;
- b) at the date of service in any other way selected by the Bank in accordance with the agreement and data provided, as well as consent of the client for service of notices.

If the mail served to the client is returned due to the incorrect address or incorrectness of any other data provided by the client, the Bank may discontinue further sending of written shipments and notifications to the client, until the client notifies the bank on change of data required for regular service.

Pursuant to regulations, the General Terms and Conditions and nature and contents of acts being served the Bank decides on the type of service for each individual case: registered shipment with or without a receipt notice, sending via email, fax, SMS or any other appropriate way.

The Bank may serve notices to the client through third party, with which it concluded the agreement on performance of delivery, with agreed obligation of third party in terms of protection and confidentiality of client's personal data.

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In order for completed delivery to be considered regular, the Bank and a person which in the name and on behalf of the Bank performs the delivery, shall provide proof that the shipment has been sent to the client, as well as ensure that such proof is kept for the necessary time period.

#### **Service of Notices by the Client to the Bank**

(1) The client serves notices to the address of Bank's registered office or its organizational units, in accordance with the General Terms and conditions, advertisements published and advertising material, Bank's website and other instructions provided by the Bank to the client in writing.

Depending on type of business, and in accordance with applicable regulations and agreement with the client, the bank may request the client to provide particular documents and notices to the Bank:

- a) in original form or photocopy, with or without certification of competent authority proving that the photocopy is true to the original;
- b) with translation to Serbian language, certified by authorized court interpreter (in case of documents and notices in foreign language);
- c) with the "APOSTILLE" certification or other legalization certificate, depending on the country of origin of submitted document (in case of a foreign document).

#### **Service of Notices by the Bank to Provider of Collateral for Liabilities of the Client - individual**

Before conclusion of the loan agreement with the client – individual, the Bank shall submit the offer, i.e. information to the person which intends to provide collateral (guarantee, bills of exchange, administrative ban, etc), except for loan where the borrower is at the same time the owner of the subject of pledge, i.e. mortgage or will become the owner of the assets based on purchase transaction for which realization the loan is granted.

(1) After the conclusion of the loan agreement with the client – individual, the Bank submits to the person providing the collateral (hereinafter referred to as: the provider of collateral) an original or a copy of the agreement with repayment schedule and summary of compulsory elements, except if the borrower is at the same time the provider of collateral or will become the owner of the subject of mortgage or other type of lien based on purchase transaction for which realization the loan is granted.

(2) Service of notices by the Bank to the provider of collateral for liabilities of the client – individual shall be governed by the rules on service of notices by the Bank to the client provided by point 5.1 of the General Terms and Conditions.

### **GENERAL TERMS AND CONDITIONS FOR CREDIT TRANSACTIONS**

#### **Loans**

##### *Conditions under which the Bank grants loans to clients*

(1) Loans granted by the Bank to clients may be, depending on the repayment period, short-term (up to 12 months) and long-term (over 12 months), purpose or non-purpose.

The Bank grants a loan to the client which meets the creditworthiness requirements, in accordance with applicable regulations.

Based on the decision of Bank's competent body on loan approval and requirements thereof, a written agreement, defining terms of use of the approved loan, is concluded with the client.

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The Bank has the right to suspend further utilization of loan granted under the agreement if it determines that client's creditworthiness has deteriorated and shall provide a timely written notification to the client thereof in the manner provided by the General Terms and Conditions.

*Payment instruments and security instruments for Bank's receivables collection*

(1) Depending on the type and the amount of loan and risk assessed for particular loan, the Bank shall agree with the client on provision and/or establishment of one or more payment instruments or security of Bank's receivables collection acceptable to the Bank, such as:

- a) standing order for collection of receivables under loan, by debiting client's current or any other account;
- b) administrative order to the client's salary, certified by the employer;
- c) blank solo bills of exchange, signed by the client, and certified in case of a legal entity, with authorization to fill in and submit bill of exchange for collection;
- d) joint guarantee of a legal entity or individual;
- e) direct debit authorization;
- f) cash (retention money) deposit, placed in the Bank on a fixed term basis by the client or a third party (legal entity or individual);
- g) pledge on movable assets and rights, in accordance with applicable regulations governing the pledge on movable assets and titles entered in the register;
- h) mortgage on real property, in accordance with relevant applicable regulations;
- i) assignment of receivables regulated by appropriate agreement;
- j) guarantees of foreign or domestic banks and bills of exchange guaranteed by the banks, acceptable to the Bank;
- k) insurance of the loan with the National Mortgage Insurance Corporation, as well as other insurance companies acceptable to the Bank;
- l) guarantees, warranties and insurances of funds and companies incorporated in the Republic of Serbia;
- m) other instruments requested by the Bank from the client, in accordance with the risk assessment for particular loan.

Movable assets or real property subject to pledge must be insured with the insurance company acceptable to the Bank, and the insurance policy must be assigned in the favour of the Bank. The Bank allows the client to inspect the list of acceptable insurance companies, while in the case of other companies the Bank assesses their acceptability for particular operations.

*Supplementation or replacement of payment instruments or security for collection*

(1) The Bank has the right to ask to client to supplement or replace a payment instrument or collateral provided to the Bank as a security for collection of receivables within defined timeframe, if provided instruments become inadequate, i.e. insufficient to secure collection of Bank's receivables during the term of the agreement, or if the Bank assesses that the client's creditworthiness is jeopardized.

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If the client fails to act in the accordance with the request of the Bank from paragraph 1 of this article, the Bank has the right to declare the receivables due and payable and initiate enforced collection, as well as to activate any or all instruments provided to the Bank on the same grounds.

*Collection of due Bank's receivables from other client's assets*

(1) For collection of due receivables from the contractual relationship with the client the Bank use its dinar funds maintained as sight deposit on dinar accounts with the Bank, as well as dinar counter-value of foreign currency assets with the Bank, securities and other assets placed in the Bank for safekeeping, if their execution is not exempted by law, court decision or decision of any other competent authority.

*Control if assets granted by the Bank to the client are used for the purpose for which they were approved*

(1) The Bank has the right to check if assets granted to the client are used for the purpose they were approved and check if client regularly fulfils other obligations from the agreement, in the manner and according to the procedure provided by applicable regulations and the agreement with the client.

*Early loan repayment*

*Right of client – legal entity to early loan repayment*

(1) If not otherwise agreed, the client has the right to repay the loan in full and before its maturity provided that it notifies the Bank on its intention in writing and within the agreed period before the early repayment and that it pays agreed fees, and the Bank shall calculate and accrue interest for the time passed from the date of last calculation to the date of early repayment.

*Right of client – individual to early loan repayment*

(1) The client has the right to, at any moment, fully or in part, fulfil its obligations under the loan agreement, in which case it is entitled to the reduction of total loan cost for the amount of interest and costs for the remaining duration of the agreement.

(2) The Bank may agree on fees for early loan repayment, if fixed nominal interest rate is agreed for the period of early repayment, and in case of agreements on purchase of real property, if fixed or variable nominal interest rate is agreed.

(3) Fee from the paragraph 2 of this article may be agreed up to the amount of damages suffered due to early repayment, but may not exceed 1% of the amount of early repaid loan, and if:

- a) the period between the early repayment and the agreed term for fulfilment of contractual obligations is longer than one year;
- b) the period is shorter, the fee may not exceed 0,5% of the amount of early repaid loan.

The Bank may request fees from paragraph 2 of this article provided that the amount of early repayment in the period of twelve months is higher than 1.000.000 dinars.

Fee from paragraph 2 of this article may not be requested:

- c) If repayment is made under insurance agreement intended to provide a loan repayment guarantee;
  - d) If repayment is made during the period for which variable nominal interest rate fee is agreed, except for loans granted for purchase of real property.
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Fees referred to in this article shall in no case be higher than the amount of interest the client would have paid during the period between the early repayment and the agreed term for fulfilment of obligations under the loan agreement.

Damages referred to in this article mean difference between the interest agreed with the client and market interest under which the Bank may place the amount received from early repayment at the time of repayment, including administrative costs.

#### *Other special rights of a client - individual*

##### *Rights related to revolving loan*

- (1) The client may terminate a revolving loan agreement at any time, in the usual manner, without charge, except if notice period agreed may not be longer than one month.
- (2) If it is agreed, the Bank may cancel the revolving loan agreement by providing notice on termination to the client writing or on any other durable medium at least two months earlier.
- (3) If such option is agreed, the Bank may deprive the client of right to withdraw funds due to justified reasons (unauthorized utilization of loan, significant deterioration of client's creditworthiness, etc.), but shall provide a notice on the reasons for depriving in writing or on any other durable medium, and, if possible, immediately or within the next three days, except if provision of such notices is prohibited by other regulations.

##### *Right to application of the same type of exchange rate*

- (1) When approving a loan indexed in foreign currency the Bank is obliged to apply official average exchange rate, which is also applied to loan repayment.

##### *Right to the same method of interest calculation*

- (1) If the client is obliged to place special purpose deposit with agreed interest for approval of the loan, it has the right that the same method used for calculation of interest for approved loan be used for calculation of interest to deposit, and the Bank is obliged to enable him to exercise such right.

##### *Linked loan agreements*

- (1) Linked loan agreement is a loan agreement used exclusively to finance purchase of specific goods or services, and which form a commercial unit with the agreement for sale of such goods and services. Commercial unit shall be deemed to exist if the Bank uses services of the seller to conclude the loan agreement or if goods and/or services subject of purchase are explicitly stated in the agreement.
  - (2) The client exercises his/hers right to withdraw from the agreement on purchase of goods, i.e. provision of services in accordance with law which regulates consumer protection – it is not bound by linked loan agreement.
  - (3) In case referred to in paragraph 2 of this article, the Bank shall, after receiving a notice from the seller on withdrawal from the agreement on purchase of goods, i.e. provision of services, refund the amount of loan, with accrued interest, repaid by the client until the moment it withdrew from the agreement without undue delay, and within 30 days from the date it has received a notice on withdrawal at the latest.
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(1) The Client, i.e. provider of collateral, has the right to, after client's liabilities to the Bank under particular agreement have been completely settled, accept unutilized collateral under the agreement, including also collateral registered in appropriate register.

(2) The Bank shall notify the client, i.e. provider of collateral, in writing that it settled all its liabilities under particular agreement – within 30 days from the date liabilities are settled.

(3) Notification form paragraph 2 of this article contains data on the agreement under which liabilities to the Bank have been settled, the amount of settled liabilities, signature of competent person and Bank's seal.

## **INTEREST AND FEES**

### **Interest**

#### *The method of determining interest*

(1) The Bank agrees, calculates and pays interest for credit transactions in accordance with its decision on interest rates.

Interest rate applied on loans is presented on annual, monthly and daily level.

Interest is calculated by conformal or proportional method.

#### *Fixed and variable interest rate*

(1) The Bank regulates the type of interest rate, which may be fixed or variable, by the agreement concluded with the client.

#### *Annual effective interest rate*

(1) Effective interest rate (hereinafter referred to as: EIR), is a discount rate which equates, on annual basis, current value of all cash flows and/or current value of all cash income with current value of all cash expenses relating to the use of financial services (loans and deposits), which are known at the time of disclosing of this rate.

Cash flows from paragraph 1 of this article include all cash incomes and all cash expenses of the client arising from use of loans, i.e. placement of deposits, such as:

- a) all repayments and payments of loans and deposits;
- b) costs payable by the client (e.g. interest, fees, taxes, etc), i.e. benefits received (interest and other unconditional benefits);
- c) costs (depending on the client) of ancillary services which are prerequisite for the use of the Bank's products, i.e. for its use in a specific manner (e.g. costs of life, property or personal insurance, etc.).

If opening of an account is a prerequisite for use of the Bank's products, depending on the client, cash flows from the paragraph 1 of this article also include costs of opening and maintaining the account, as well as all costs related to execution of such cash flows.

The following is not included in cash flows referred to in paragraph 1 of this article:

- d) costs arising from failure to comply with contractual provisions;
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- e) goods purchase costs incurred irrespective of whether the payment is in cash or in any other manner.

Calculation of EIR is based on the following assumptions:

- f) that the contractual relationship will remain in force during the period agreed;
- g) that the contracting parties will fulfil its contractual obligations and do so within timeframes provided in the agreement;
- h) that the nominal interest rate and other costs shall remain unchanged for the duration of the agreement.

The Bank is obliged to calculate EIR in unique, regulated manner to allow comparison with the same offers for different financial services providers.

EIR is expressed in percentages with two decimals, by rounding the second decimal, and is effective starting from the date of calculation. EIR at least equals agreed interest rate. If EIR is lower than the agreed interest rate or it cannot be calculated (e.g. due to relatively large amount of deposit used as collateral for loan in comparison to the loan amount), the Bank is obliged to notify the client on the matter, as well as to provide explanation for lower EIR, i.e. for lack of economically reasonable solution.

As for loans on which the client, in accordance with the agreement, independently decides on schedule of withdrawal (credit lines, etc.), calculation of EIR is performed with an assumption that the total amount of approved loan will be withdrawn at once in full.

As for loans on which the client, in accordance with the agreement, independently decides on schedule of withdrawal, but within defined limits on funds withdrawal and periods in which such funds may be withdrawn, calculation of EIR is performed with an assumption that the funds will be withdrawn at the earliest date provided by the agreement and in the amount of the agreed limit.

As for loans where the agreement provides different interest rates for agreed periods or amounts of loan utilization, calculation of EIR is performed with an assumption that funds will be withdrawn and utilized at the highest agreed interest rate.

As for loans on which the client, in accordance with the agreement, independently decides on the amount of repayment higher than the agreed minimum repayment amount, calculation of EIR is performed with an assumption the repayment amount will be equal to the agreed minimum amount.

As for loans where the agreement provides a number of repayment dates, calculation of EIR is performed with an assumption that repayment will be made at the earliest agreed date.

#### *Default interest rate*

(1) The Bank charges legal default interest rate on past due receivables starting from the maturity date, i.e. agreed interest rate, if it is higher than the legal default interest rate.

If the client fails to pay accrued interest within the agreed period, the Bank shall calculate an interest to past due receivables starting from the first data after expiration of the period for which the calculation has been made.

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(1) If, during the contractual relationship, circumstances arise which may result in difficult financial situation of the client, i.e. if any other significant circumstances arise which are outside of reasonable control of the client, the Bank may, at client's request, declare suspension of repayment (moratorium) for a specified period, during which the Bank shall not calculate interest to past due receivables.

### **Fees**

(1) The Bank calculates and charges fees for services provided to the Bank's clients.

The fees, manner and period of fee collection are determined by the agreement between the Bank and the client.

The Bank reserves the right to change agreed fees, in accordance with the agreement concluded with the client. The Bank is obliged to notify the client in writing before it starts applying the new fee, and in the manner provided by the agreement and the General Terms and Conditions.

## **ASSIGNMENT OF CLAIMS**

### **Assignment of Bank's Claims against the client – legal entity**

(1) The Bank may, under conditions provided by regulations, assign its claims against the client to third parties, on which it shall notify the borrower in accordance with law.

### **Assignment of Bank's Claims against the client – individual**

(1) In case Bank's claims under the loan agreement are assigned to another bank, the client retains all agreed rights, as well as the right to file a complaint to another bank which it had to the Bank, and the other bank may not put client in less favourable position than the position he/she would have if the claim had not been assigned and the client may not be subject to additional costs as a result of assignment.

(2) The Bank may assign claims under this agreement only to one bank.

(3) The Bank shall notify the client on assignment of receivables from paragraph 1 of this article.

(4) Assignment of Bank's claims against entrepreneurs and farmers shall be governed by regulations on risk management of banks.

## **CLIENT'S COMPLAINT**

### **General provisions**

(1) The client has the right to file a written complaint, if it finds that the Bank fails to comply with provisions of the Law, other regulations governing provision of financial services, the General Terms and Conditions or good business customs regarding such services or obligations arising from the agreement concluded with the client.

(2) The complaint should include the following:

- a) client information, such as: personal client - individual information (name and surname, address and contact phone), i.e. information on client – legal entity (name and registered offices of the company, name and surname of contact persona and contact phone number);
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- b) reasons for filing a complaint (if a client possesses certain evidence related to the reasons specified, it can be submitted along with the complaint to allow for its fast and complete resolution).

The Bank is obliged to consider client's complaint and submit a written, clear and understandable response to the client's complaint within 15 days from the date complaint has been received, in the manner which provides the receipt confirmation, without obligation of the client to pay any fees to the Bank, or any other costs related to acting on the complaint.

### **Bank's Action on the Complaint of the Client - Individual**

#### *Special rules*

- (1) The client has the right to complaint within the period of three years from the date of violation of its rights or legal interest.
- (2) Client from paragraph 1 of this article also means the provider of collateral.
- (3) Deadline for providing the response to the complaint is 15 days from the date complaint has been received, and the Bank is obliged to inform the client within the response to file a complaint to the National Bank of Serbia, in accordance with the Law.
- (4) Notwithstanding the paragraph 3 of this article, if the Bank for any reasons, which do not depend on its will, cannot provide the response within 15 days – the deadline may be extended by additional 15 days, and the Bank is obliged to provide written notice to the client on the matter within 15 days from the complaint has been received.
- (5) The Bank is obliged to include in the notice referred to in the paragraph 4 of this article clear and understandable reasons due to which it failed to provide a response within 15 days from the date complaint has been received, as well as final deadline for provision of the response, as provided in the abovementioned paragraph.
- (6) The Bank is obliged to provide the possibility of filing a complaint in business premises in which it provides services to client or on its website, i.e. the possibility for the client or the provider of collateral to inform on the complaint filing procedure and on handling the complaints.
- (7) All matters not regulated by this article, shall be governed by rules from the article 9.1 on reasons for complaint, form and contents of Bank's response, as well as on fees and costs.

#### *Right to file a complaint to the NBS*

- (1) If the Bank fails to provide a response to the complainant within the period provided by point 9.2.1 of the General Terms and Provisions or the complainant is not satisfied with the response to the complaint, the complainant may, before initiation of court proceedings, file a complaint to the NBS, in writing (hereinafter referred to as: the complaint), if it finds that the Bank fails to comply with the provisions of the Law, other regulations governing provision of financial services, the General Terms and Provisions or good business customs related to such services or obligations from the agreement concluded with the client, i.e. the complainant.

The complainant may file a complaint within six months from the date it has received a response or after expiration of the period for provision of response referred to in point 9.2.1 of the General Terms and Conditions.

After receiving the complaint, the NBS will ask the Bank to provide comments on allegations from the complaint and to submit appropriate evidence – within period specified in the request, and which cannot be longer than eight days from the date the request has been received.

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After the Bank provides the comments to the complaint, i.e. after the period from the previous paragraph of this article has expired – NBS may request additional comments from the Bank, i.e. submission of appropriate evidence within the period defined in the request.

The NBS shall inform the complainant on its findings in relation to the complaint within three months from the date the complaint has been received, and in more complex cases the period can be extended for maximum of three additional months, on which the NBS shall notify the complainant in writing on before expiration of the initial period.

The NBS shall notify the complainant in the notice referred in the previous paragraph on the possibility of out-of-court settlement of a dispute with the Bank in the mediation procedure conducted in accordance with the Law.

The complaint shall be submitted via the home page of the website of the National Bank of Serbia, by clicking on the text Submit a complaint / objection to the work of financial service providers or by mail to the address: National Bank of Serbia, Sector for Protection of Financial Services Users, Nemanjina 17, 11000 Belgrade or PO Box 712, 11000 Belgrade.

*Out-of-court dispute settlement – mediation procedure before the NBS*

- (1) If the complainant is not satisfied with the response received or the response has not been submitted within the provided period, dispute between the complainant and the Bank may be settled in an out-of-court procedure – mediation procedure.
  - (2) After the mediation procedure is initiated, the client may no longer file a complaint, except if the mediation is finalized with suspension or withdrawal, and if the complaint has already been filed – the NBS will stop acting on the complaint, i.e. stop this procedure, if mediation is completed by agreement.
  - (3) The period provided for filing the complaint from point 9.2.2 paragraph 2 shall not flow during the mediation.
  - (4) The mediation procedure shall be initiated at the proposal of a party to the dispute accepted by the other party. This proposal must contain a period for its acceptance, which cannot be shorter than five days from the date the proposal has been submitted.
  - (5) Disputed parties may decide if the mediation procedure should be conducted before the NBS or other body or person authorized for mediation.
  - (6) Mediation procedure before the NBS is free for the parties participating in the proceedings.
  - (7) Mediation procedure before the NBS shall be carried out by employees of the NBS – mediators, which have been appointed by a decision of an authorized body of the Republic of Serbia, and who are licensed mediators included in the list of mediators.
  - (8) The mediation procedure may be concluded by agreement between the parties, suspension or withdrawal.
  - (9) The agreement reached in the mediation procedure before the NBS shall be made in writing. This agreement shall have the power of an executive document if it includes debtor's statement that it agrees to conduct enforced execution (enforcement clause) after certain obligation becomes due or after meeting certain conditions, as well as signatures of the parties and certificate of enforceability imposed by the NBS, and does not have to be certified by the court or notary public.
  - (10) Provisions of regulations governing mediation shall be applied to the procedure, unless otherwise provided by the Law.
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(1) Initiation and engagement in the mediation procedure between the Bank and the client does not exclude nor affect exercise of right to court protection, in accordance with law.

### **GOVERNING LAW AND DISPUTE RESOLUTION**

(1) The agreements and other legal relations between the client and the Bank shall be interpreted in accordance with the law and other regulations of the Republic of Serbia, unless otherwise agreed.

Resolution of disputes between the client and the Bank shall be governed by substantive and procedural law of the Republic of Serbia, unless otherwise agreed.

Any possible disputes between the client and the Bank shall be resolved before competent court according to the Bank's registered offices, unless otherwise agreed. Exceptionally, any possible disputes between the client – individual and the Bank shall be resolved before regional courts provided by law.

### **ANTI-MONEY LAUNDERING AND TERRORISM FINANCING**

(1) The Bank has the right to request information from the client required to perform its obligations related to anti-money laundering and terrorism financing.

The Bank has the right to postpone or refuse establishment of business relationship with the client, to terminate such business relationship or postpone or refuse to execute transactions at the order or on behalf of the client if so provided by regulations on anti-money laundering and terrorism financing.

The Bank may temporarily block the possibility to use services and products without consent, entirely or partially, including carrying out transactions on client's orders, provided that the Client fails to submit, upon the Bank's request, within a provided or reasonable time frame, any data about itself, about its real owners, its business operations, origin of funds and purpose of its business relation with the Bank and/or transaction that is carried out through the Bank, the Bank not being liable for any damage incurred to the Client by failing to carry out transactions or denying the use of a product or service.

### **PROTECTION OF PERSONAL DATA**

(1) The User explicitly agrees that the Bank has the right to use User data, such as address, phone number, fax or fax number, email addresses and other contact information the User provided to the Bank on conclusion of the agreement, to inform the User on its activities, products and service, through brochures, leaflets, electronic messages, as well as any other type of business communication and presentation.

(2) By concluding the Agreement with the Bank, the User confirms that the Bank has informed them about processing of personal data, conditions of collecting and processing personal data that the Bank obtained from them and/or other persons for the purposes of its regular operations and performance of legal and contractual obligations, in accordance with the Law on Personal Data Protection.

### **BANKING SECRET**

(1) Banking secret is a business secret.

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The following is considered to be a banking secret:

- a) data known to the Bank, including personal data, financial status and client's transactions, as well as its personal data, and ownership or business connections of client of this or any other bank;
- b) data on balance and transactions on individual deposit accounts;
- c) data on payment transaction, balance and changes on the payment account of the client, user of the payment services;
- d) other data acquired by the Bank in its transactions with clients.

The Bank and members of its bodies, shareholders and employees or persons hired by the Bank, as well as external auditor of the Bank and other persons which have access to data referred to paragraph 2 of this article on a need-to-know basis, are obliged to keep this data and may not disclose them to third parties, use contrary to the interest of the Bank and its clients, use it in such manner which creates material benefits for them or third parties, nor enable the third parties to access such data.

Confidentiality obligation does not cease for persons mentioned in paragraph 3 of this article even after termination of status that enabled them to access the data mentioned in the paragraph.

The following is not considered a banking secret:

- e) public data and data available to reasonably interest parties from other sources;
- f) consolidated data which do not reveal individual identity of a client;
- g) data on Bank's shareholders and their interest in share capital of the Banks, as well as data on other persons interest in the Bank and data on such interest, regardless of them being clients of the Bank;
- h) data about regular fulfilment of obligations to the Bank by the client.

The obligation of confidentiality of banking secret shall not apply if data is disclosed to: court and executive authorities, as well as other authorities and organization, in accordance with authorizations provided by law and other regulations, as well as to association banks founded in order to collect data on the amount, type and expediency of settling the obligations by clients of the Bank, as well as in other cases provided by law.

Persons referred to in paragraph 6 of this article may use such data exclusively for the purpose they have been collected for and may not disclose or submit them to third parties or allow access to such data to such parties, except in cases provided by law.

Provisions of paragraph 7 of this article shall also apply to persons employed or hired, i.e. which have been employed or hired by persons to which data mentioned in paragraph 2 of this article have been made available, as well as to other persons to which such data have been made available on a need-to-know basis.

When entering into business relationship with the Bank the client agrees that the Bank may disclose data regarded as banking secret to third parties under the conditions defined in the General Terms and Conditions.

The Bank has the right to, in accordance with concluded agreement and applicable regulations, forward the data on client and its related parties, data on submitted documents, as well as other data considered a banking secret to central database of Intesa Sanpaolo Group, members of its bodies, shareholders, employees of the Bank, external auditors of the Bank, as well as other persons on a need-to-know basis, and third parties with which the Bank has concluded the agreement on data confidentiality.

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The client agrees that the Bank may obtain a report on its past performance in terms of service use from other banks which services it have used.

## **ETHICAL AND ENVIRONMENTAL PRINCIPLES IN BANK OPERATIONS**

(1) In its operations the Bank complies with ethical principles and environmental norms.

When deciding on the request of the client, the Bank shall also use the following criteria: assessment of social and environmental risks, assessment of social benefits, i.e. adverse effects of client's activities being financed.

## **FINAL PROVISIONS**

(1) Specific issues related to implementation of the General Terms and Conditions may be regulated by general acts mentioned in point 1.1 paragraph 2, in accordance with applicable regulations and the General Terms and Conditions.

These General Terms and Conditions shall come into force from the date of adoption, and shall be implemented after 15 (fifteen) days from the date they have been displayed in Bank's branches and/or on the Bank's website, including the option to display the document in its electronic form on public screens in the Bank's branches.

President of the Board of Directors

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Ignacio Jose Jaquotot Calvo

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