



**GENERAL TERMS AND CONDITIONS OF KENTBANK D.D.  
IN CREDIT AND DEPOSIT OPERATIONS  
WITH BUSINESS ENTITIES**

2021

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## 1 INTRODUCTORY PROVISIONS

### 1.1. Contents

General Terms and Conditions of KentBank d.d. in credit and deposit operations with business entities (hereinafter: Terms and Conditions) shall regulate credit and deposit relationships between KentBank d.d. (hereinafter: the Bank) and Business Entities (hereinafter: the customer).

### 1.2. Definition of Terms

The terms used in the General Terms and Conditions shall have the following meaning:

**Internal documents** of the Bank are all documents and decisions adopted by authorized bodies of the Bank in accordance with the regulated procedure that govern rights, powers and obligations of the customer, the customer's authorized person and all other persons who take over the rights and obligations of the customer to the Bank and also of the Bank (Terms and Conditions, Decision on fees and similar).

**Bank** – Within the meaning of this Terms and Conditions, the Bank is KentBank d.d., with the registered seat in Zagreb, Gundulićeva 1; the website: <http://www.kentbank.hr> (hereinafter: the Website), IBAN: HR5741240031011111116, PIN (OIB): 73656725926, SWIFT: KENBHR22. The list of branches and affiliates of the Bank, including the contact addresses, can be found on the Bank's website. The Bank operates on the basis of the operating license issued by the Croatian National Bank (hereinafter: the CNB), the competent authority for the supervision of the Bank. The Bank is registered in the Commercial Court in Zagreb under the registration number: 080129579.

**Significantly unfavourable change** - Significantly unfavourable change is considered any event or circumstance that (separately or interfering with any previous event or circumstance) represents a negative change in the Company's assets, financial or commercial position of the customer and / or connected persons and / or with any collection insurance provider from Item 6.6. of this Terms and Conditions that is large that much that the Bank can reasonably expect that the customer will not meet its obligations arising out of the credit products and other products and services of the Bank.

**Deposit** (in particular agreements and internal documents of the Bank also referred to as savings deposit) is a cash deposit paid by the customer or obliged by the customer to be paid to the account opened with the Bank in accordance with the conditions determined in the legal transaction in which the deposit has been agreed.

**Financial liabilities** - all long-term and short-term liabilities of the customer for the loans and debt securities, provisions, unexpected liabilities of the customer and any obligation that is a contracted obligation of the customer to execute payment or delivery of other financial assets to the Bank or another credit or financial institution or another enterprise, to exchange financial assets or financial liability or an agreement that will be met or can be met by the customer's own collaterals or any other financial obligation that is not explicitly provided for in this Terms and Conditions but can be considered as such commitment in accordance with the regulations of the applicable law.

**Payment insurance instruments** are insurance instruments for the collection of receivables by the Bank.

**Financing documents** - Credit Application and all its appendices, Credit Product Agreement and all its appendices and Payment Insurance Instruments

**Customer** - for the purposes of this Terms and Conditions, the customer shall be a Business Entity in a business relationship with the Bank assigned with this status on the basis of the regulations of the Republic of Croatia.

**Authorized person** is a person who is authorized to undertake actions in the name and for the account of the customer on the basis of and within the authority specified in a power of attorney by the customer.

**The customer's contact address** is the address provided by the customer when contracting any of the product or the service of the Bank or which the customer has subsequently, in writing, notified the Bank of as the address to which the customer wants to receive the written notifications by the Bank if this address is different from the registered seat of the customer, which is considered as the last known address of the customer.

**Creditworthiness of the customer** is the capacity to meet the obligations related to a particular credit product, execute cash or other contracted obligation by the customer. The creditworthiness of the customer in the credit transactions is estimated by the Bank when processing the loan application at its sole assessment which it is not obliged to explain. The assessment of the creditworthiness of the customer is obligatory process and the basis for the approval of each loan request.

**Credit product** - within the meaning of this Terms and Conditions, a credit product is any product or a service of the Bank on the basis of which the Bank has a financial or other claim to the customer except the Deposit which is a separate product of the Bank.

**Loan Application** is every form in the form and the content acceptable to the Bank submitted by the customer when applying for any loan product or a service. In addition to general information about the customer, the Loan application must contain the information on the value / amount, purpose, method of use and the repayment or the termination of the obligation, term and repayment period, payment insurance instruments and necessary information and documents about the financial position of the customer.

**Applicable Law** is the law applicable to this Terms and Conditions and any relationship between the Parties as specifically defined in Item 6.15. of this Terms and Conditions.

**The reason for the cancellation** is the occurrence of any of the cases mentioned above or described in Item 6.9. of this Terms and Conditions after which the Bank may cancel to the customer or any other payment insurance providers under Item 6.6. of this Terms and Conditions any Credit Product Agreement or all Credit Products Agreements in the way and under the conditions of this Terms and Conditions.

The **grace period** is the period in which the repayment of the loan principal is deferred.

**Specific Terms & Conditions** are the conditions for the specific type of transactions between the Bank and the customer that does not relate to credit and deposit operations (eg. General terms and conditions for the use of Internet services for business entities, General terms and conditions of KentBank d.d. for transaction accounts and performance of payment and other services for business entities and similar).

**Business entities** are legal entities, government bodies, state administration bodies, local government units, associations and societies (sports, cultural, charity, etc.) and natural persons carrying out the registered business activity in accordance with the regulations.

**Signature registration** is the form of the Bank with the registered basic information about the customer and authorized persons who dispose of the funds in the Transaction Account with depositing their signatures.

**Power of Attorney** is the authorization for the representation provided by the customer to the authorized person. The Bank can determine the form and the content of the power of attorney and the conditions that the customer's authorized person needs to fulfil according to its estimate that depends on a particular case for which the power of attorney is given. The Power of Attorney can be one time or until the cancellation.

**Connected persons** of the customer are connected persons according to the definition from the Credit Institutions Act which is determined in accordance with the subordinate documents of the Croatian National Bank.

**Business day** is every day except Saturday, Sunday and holidays in the Republic of Croatia.

**Non-fulfillment of the obligations** - any of the cases determined in Item 6.8. of the Terms and Conditions shall be considered, among others, as the case of non-fulfillment of the obligations under the Credit Product Agreement

**Party or a Contracting Party** - either singular or in plural, whenever mentioned in the Terms and Conditions or in any of the Credit Product and / or the Loan Agreement, they individually or collectively mean the Bank and the customer and / or connected persons and / or any payment insurance provider from Item 6.6. of this Terms and Conditions.

**Transaction account is the customer's account** opened with the Bank for the purpose of carrying out payment transactions and management of funds.

**Credit Product Agreement** is a bilaterally binding legal transaction by which the Bank is obliged to make available the approved loan product to the customer for a determined time period, for a specific purpose or without a specific purpose and the customer undertakes to meet all obligations to the Bank in time and as agreed.

**Currency clause** is a kind of the protection clause which is contracted in order to be protected against the currency risk conditioned by the change in the money value.

**Force majeure** means circumstances and occurrences that are beyond the reasonable control of the Bank and / or the customer and which represents an exceptional and unforeseeable circumstance that makes the fulfillment of the contractual obligations by the customer impossible or inadmissible to such an extent that, according to the Bank's estimate, the fulfillment could be considered impossible in certain circumstances, that includes wars, riots, disturbances, earthquakes, fires, seizures, or any similar measures taken by the state authorities of the Republic of Croatia, including, but not limited to the introduction of foreign exchange controls or similar instruments and regulations preventing the customer to fulfil the obligations to meet money receivables in a determined currency on the basis of the Credit Product Agreement or any other act of the competent governmental bodies, whereby the Bank is prevented from fulfilling its obligations as well as any other circumstances which the Bank could not have foreseen and that cannot be influenced by the Bank.

**Legal representative of the customer** is the person to whom the authority for representing was given by law.

## 2. PERSONAL DATA PROTECTION

The Bank as a Processing Controller on personal data, collects and processes Personal Data of its customers in accordance with the principles and legal basis of the General Regulation for the purpose of meeting the conditions in terms of legality of the processing of personal data and other conditions established and regulated by Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of individuals with regard to the processing of personal data and on free movement of such data as well as on putting the Directive 95/46/EC (hereinafter: the General Regulation) out of force.

During the collection and processing the personal data of the customer, the Bank will provide information from the General Regulation, depending on whether the data was obtained from the Respondent or a third party.

Data which the Bank may collect and process can include, for example, the following information:

- Identification data (surname, name, date of birth, sex, citizenship, residence address, OIB)
- Identification documents data (number and type of the identification document, date of issue, expiration date, document issuer / place of issuing documents)
- Financial identification data (transaction and deposit account numbers, loan numbers, credit and debit card numbers, secret codes (PINs, PANs, etc.)
- Financial transactions (announced and executed payments, account balances, assigned credit lines, deposits, guarantees)
- Membership in associations (trade unions, political parties, etc.)

If the Bank collects and processes certain categories of personal data not mentioned in these General Terms and Conditions, the Bank shall inform the customer on the collection and processing at the time of their collection by the "Privacy Statement" document adjusted to the collection and processing of personal data for various purposes indicated in the statements.

Customers can find privacy statements on the Bank's website [www.kentbank.hr](http://www.kentbank.hr) and in a branch of the Bank.

The Bank can also provide customers with additional information on the collection and processing of their personal data in relation to the specificity of a particular credit product, whether verbally or otherwise.

The Bank will collect and process the personal data from the respondents required to fulfill the purpose for their collection and the data is collected on the basis of one of the legal grounds set out in the General Regulation or if the processing is necessary for the performance of the agreement in which the respondent is a party, if the processing is necessary to undertake the activity at the customer's request prior to the conclusion of the agreement, if the processing is necessary for the legitimate interests of the Bank or for respecting the legal obligations of the Bank.

This includes the right of the Bank to use, collect, save, organize, duplicate, record and inspect personal data for the purpose of the regular business operations of the Bank and members of the group to which the Bank belongs in a third country.

The Bank can forward personal information to the following third parties such as:

- processing officers and joint controllers who are registered to perform the activity of the fulfillment of the processing purpose and who meet an adequate level of the personal data protection
- authorized bodies and employees of the Bank as well as a member of the group to which the Bank belongs in a third country for the purpose of performing the regular operations of the Bank, in accordance with the law and / or internal rulebooks and procedures of the Bank.

Furthermore, the Bank can collect personal data about the total amount, type and regularity in the performance of the obligations arising out of any legal basis and submit them to the authorized attorneys' offices or other advisors, state institutions and other public bodies, during the term of a particular contracted relationship as well as for the requirements of any later procedures and activities related to non-fulfillment or improper non-fulfillment of contracted obligations arising from this contracted relationship.

The Bank will process the personal data of the customer only for the purpose for which they are collected, such as:

- the assessment of the existence of risk on money laundering and terrorism financing,

- delivery of data to competent institutions, processing officers and / or processing controllers for the purpose of meeting the Bank's legal and contractual obligations,
- delivery of data to authorized bodies of the Bank, employees and a group member in a third country in the form of the reports at different time intervals which the Bank must submit in accordance with the law and / or internal rulebooks and procedures of the Bank,
- for the purpose of direct marketing during and after the expiration of a business relationship.

If the processing of personal data is based on a consent as the legal basis of the processing, the customer may withdraw from this at any time, but the withdrawal of the consent will not affect the legality of the processing that was based on the consent before it was withdrawn.

The Bank shall keep the customer's personal data as long as it is permitted by the relevant legal regulation that relates to the particular processing of personal data or as long as allowed by the respondent in the consent.

During the term of the contracted relationship, the customer has the following rights:

- the right to be informed,
- the right of access,
- the right to correct all personal data that is inaccurate or incomplete,
- the right to delete personal data,
- the right to restrict processing of personal data,
- the right to transfer data to the respondent and / or other processing controller,
- the right to complain about personal data processing including the objection to making solely automated decisions as well as the objection to data processing for the purposes of direct marketing.

The customer can realize the above rights at any time in the Bank's form or in a free form and deliver it to the Bank in one of the following ways:

- by postmail to the address KentBank d.d. Gundulićeva 1, 10 000 Zagreb
- by e-mail to [szop@kentbank.hr](mailto:szop@kentbank.hr)
- by fax at +385 75 802 604
- personally in a branch of the Bank



The Bank undertakes to keep all information disclosed in connection with the customer confidential in accordance with the legal regulations.

### 3. OBLIGATIONS OF THE BANK

In the fulfillment of the obligations arising from the business operations of the Bank with the customer, the Bank shall act with due attention, according to the rules and practices of the profession.

The responsibility of the Bank is solely restricted to direct and actual damage suffered by the customer due to negligence of the Bank. The Bank is not liable for failure to perform obligations if their fulfillment is prevented by force majeure or any other event which the Bank could not influence.

The Bank is obliged to act in the credit operations in accordance with the regulations governing the prevention of money laundering and terrorism financing.

The Bank reserves the right to deny a particular product or a service to the customer and shall have no liability for any damages in cases where, after the approval of certain products or services to the customer, there occur such circumstances (or the Bank gets such information) because of which, according to the discretion of the Bank, if they existed (or were known to the Bank prior to the approval of such products or services), the Bank would not have approved them or would not issue a decision on the approval under the conditions agreed with the customer. This provision applies, among others, on an intentional or accidental suppression of information necessary for the Bank to assess the risk of a particular credit product as well as to changing provisions of the regulations (including the guidelines and recommendations of the competent authorities, both in the Republic of Croatia and abroad) which may have a direct or indirect impact on the business of the Bank. Apart from this, the Bank reserves the right to ask again for the confirmation of facts, circumstances and / or requirements necessary for the approval, the extension or other decision regarding such products or services when re-approving, extending the term of use or changing any other conditions also including, without any restriction, the check of the creditability of the customer, whether it was previously agreed or done through the agreement (such as reissuance / prolongation of using a particular product or a service). If there are no assumptions requested by the Bank at the time of the approval, the prolongation of the use period or the modification of any other conditions or if the required evidence about the existence of the relevant facts, circumstances and / or fulfillment of conditions, regardless of the different provisions in the agreement or other document regulating the rights and obligations between the customer and the Bank is not given according to the opinion of the Bank, the Bank can not approve the use of such products or services, the extension of the use or the modification of other conditions. If the fulfillment of the obligations assumed by the Bank by individual agreement (providing, financing or maintenance of the credit product) becomes illegal, the Bank shall promptly inform the customer of this and the customer shall immediately early repay the withdrawn / used but unpaid amount of the credit product and the Bank's liability to grant the credit product / fulfill the obligations under individual agreements will be immediately terminated.

Regardless of the agreement or other document which regulates the mutual rights and obligations between the customer and the Bank in relation to a particular product or a service, the Bank reserves the right not to approve, extend the use period or modify the terms of use of each product or service even if it has ceased to provide a particular product or a service (in its entirety or only to a particular segment of customers or a particular product segment) on the basis of its business policy or decisions.

In cases referred in two preceding paragraphs, the Bank may at its own choice and notwithstanding the provisions of the agreement with the customer (unless explicitly otherwise agreed): (i) cancel the contracted relationship with the customer, (ii) cancel the contracted relationship with the customer and offer the conclusion of the agreement under different terms and conditions. In such cases, the customer waives the right to request for damage compensation as well as all other requirements which he or she could have against the Bank and the Bank reserves the right to request for damage compensation as well as all other requirements that it might have against the customer according to the applicable regulations or on the basis of the credit relationship with the customer.

The Bank shall execute the order which is to be executed with the participation of a third party (by nature of the order or because of more efficient execution of such order in the opinion of the Bank) by contacting a third party in its name.

The Bank reserves the right to reject the execution of the order of the customer without providing any special explanation in cases provided by the regulations, as well as in any other case when the customer did not meet the request of the Bank, which the Bank has set to the customer relating to the execution of such orders, as well as in other cases where, solely under the opinion of the Bank, the circumstances under which the order has been given, the order form, the content and any other details related to the implementation of the order, its execution, would not be in accordance with practices, rules and policies of the Bank and financial operations in general. In such a case, the customer explicitly agrees that the Bank does not bear any responsibility to the customer.

At the written request of the customer, the Bank is obliged to make available all requested information of the customer arising from the credit relationship.

After meeting all obligations arising under the Credit Product Agreement, the Bank shall, at the customer's expense, return all unused collaterals submitted by the customer pursuant to the Credit Product Agreement and issue documents adequate for registering a deletion of collaterals entered in the public books, records and registers, if this was contracted.

#### 4. OBLIGATIONS OF THE CUSTOMER

##### 4.1. Statements and Guarranties

By accepting this General Terms and Conditions and contracting any of the product or service, the customer, under criminal and material responsibility, declares and guarantees:

1. that the company is the properly registered company (d.o.o. / d.d. and similar) and in good financial conditions in accordance with the regulations of the Republic of Croatia;
2. that the customer duly registered the company in accordance with the regulations of the country in which the customer has a registered office (if a non-resident) and that it is in good financial condition;
3. that the customer has the appropriate powers and authorizations to own the real estates and the assets and perform the registered activity;

4. that the customer is not insolvent, in bankruptcy or in liquidation or under the extraordinary management, nor any court, judicial, arbitration or other procedures were initiated against the customer, the outcome of which could endanger the customer's ability to properly perform the obligations under the credit products and other the products and services of the bank;
5. that they have all the powers required to perform its registered activity and is not acquainted with the circumstances for which it could reasonably be expected to adversely affect their rights, possession and / or obtaining all foreseen powers and / or obtaining any new authorizations regulated for the performance of the company's activity;
6. that the customer has all necessary powers, authorizations and approvals for the conclusion and execution of the obligations under the credit products and other Bank's products and services and for the provision of contracted payment insurance instruments and that all preconditions and obligations as determined in these General Terms and Conditions and credit products and other products and services of the Bank are met and all necessary measures for legality and validity of legal business and insurance instruments undertaken. All authorizations, decisions and approvals required for the conclusion and carrying out the obligations under the credit products and other Bank's products and services and the provision of insurance funds are valid and timely received and the customer does not know for any reasons or circumstances that might have brought into question their legality and that the customer has undertaken all activities required for the legality and validity of the obligations relating to the credit products and other products and services of the Bank as well as for the obligation of receivables of the Bank arising out of the credit products;
7. that, before the conclusion of the legal transactions in credit products and other products and services of the Bank, the customer had not have concluded financing agreements with other bank and / or financial institution or that, on the day of the conclusion of a certain legal transaction with the Bank, the customer is indebted with the loan with a credit institution or another creditor, as indicated by the customer in the Loan Application;
8. that no significant adverse change occurred with the customer in financial or any other terms until the day of the conclusion of the legal transactions under the credit products and other products and services of the Bank;
9. that all the information provided to the Bank by the customer is true, complete and accurate in all material respects and that the customer is not aware of circumstances that could reduce his credit standing and challenge the performance of contractual obligations that could thereby affect the decision of the Bank on the loan approval or any credit product and other products and services provided to the customer by the Bank;
10. that the customer's financial statements, which are taken into account when concluding legal transactions in credit products and other products and services of the Bank, together with the audit report (if required by law) represent true and fair view of the customer's financial position at the end of the period to which they relate. The customer guarantees that no significant adverse changes have taken place from the end of the accounting period to which the financial statements relate, which would affect the Bank's decision on granting loans or credit products and other products and services of the Bank. As at the date of the preparation of the financial

statements, the customer did not have any potential or other liabilities that were not disclosed with them or the accompanying documentation or for which the provisions were not made nor any unrealized or anticipated losses in advance, arising from the assumed contracted obligations which have not been disclosed or for which no provisions were made as regulated;

11. that the customer will adhere to all contractual obligations and execute contractual obligations arising from a credit relationship with the Bank within the contracted deadlines;
12. that the funds of the approved loan are to be used solely for the purpose for which it was approved, if the purpose is contracted;
13. that the customer will maintain creditworthiness, liquidity and solvency throughout the whole period of the use of the credit product;
14. that the customer will enable the Bank contracting the subsequent increase in the scope of the insurance of returning the Bank's claim or the replacement of certain security assets because of changes in the level of risk or the value of payment insurance instruments during the term period of the credit product agreement;
15. that the customer will settle all the costs incurred under the credit relationship, including the costs of notary public, assessor, insurance, documentation verification costs and similar and is obliged to compensate all costs to the Bank arising from a credit relationship with the Bank including thereby the obligation to compensate for any damage that was made to the Bank out of any activity or omission by the customer, participant in the loan or connected persons;
16. that, by contracting any product or service and by fulfilling any obligation in relation to a credit product, the customer will not violate any law or other regulation, a decision of the court or a state body, its founding documents and internal acts or a contracted agreement;
17. that the customer will undertake all necessary actions in order to secure its assets against the rights, claims and interests of third parties;
18. that the customer will ensure that its obligations in relation to the credit products are of at least equal settlement priority as well as all other present and future unsecured and subordinate obligations, except for the obligations that guarantee the priority settlement right assured by law.

In addition to the above mentioned guarantees, the customer undertakes that, from the day of the conclusion of a specific legal transaction with the Bank in connection with the credit product or other product or service of the Bank until the settlement of all obligations to the Bank, the customer shall not do the below stated without a prior consent of the Bank;

1. alienate assets without prior written consent of the Bank, except for the monetary or other compensation representing a value equivalent counterparty of the simultaneous maturity
2. implement the status changes (merging or divisions) or undertake any other action that may result in the termination of its existence as an independent business entity, its organizational

- form or the change of the subject matter in its business operations, without the written consent of the Bank;
3. undertake actions that may result in the reduction in the creditworthiness and / or questioning the customer's ability to timely and fully meet the obligations with regard to the credit product;
  4. amend the terms and conditions of the agreement on the receivables assigned to the Bank, without prior consent of the Bank

In case of any breach of the statement and guarantees under this Item of the General Terms and Conditions or other breach of contracted obligations or provisions in connection with the credit product, the customer undertakes to notify the Bank without delay.

In addition to the statements and guarantees of the customer under the previous provisions, the Bank and the customer can agree on additional guarantees in any particular activity concluded between the Bank and the customer whereby, unless otherwise contracted by a particular decision, the guarantees determined hereby shall apply over such specifically contracted statements.

The customer will not, without prior explicit written consent of the Bank, pledge, assign or otherwise debit or alienate any of rights in connection with the credit product or any other product or service of the Bank nor undertake any action that would prevent the collection by the Bank in relation to a credit product or any other product or service of the Bank. The disposal with any rights or claims of the customer in terms of assignment or transfer of such rights or claims in relation to the credit products or any other products or services of the Bank requires a prior explicit consent of the Bank in writing.

If the subject matter of the Placement Agreement is the issuance of the Bank guarantee and the customer has fulfilled the contractual obligations to the beneficiary of the guarantee prior to the agreed deadline, the customer is obliged to obtain the proof on fulfillment of the obligations and return the original copy of the Bank guarantee.

In the event of the violation of these statements and guarantees, the Bank shall, in addition to other activities, have the right to cancel the legal transaction in relation to the credit product pursuant to the provisions under Item 6.9. of these General Terms and Conditions, along with the current maturity of all amounts paid out to the customer, costs, fees, default interest rates, contractual interest rates, principal and others arising from the Credit Product Agreement concluded by the Bank with the customer.

The provisions of this Item 4.1. shall be appropriately and completely applied to any payment insurance instrument provider under Item 6.6. of this General Terms and Conditions or any other person who is adequately responsible and guarantees for the customer's obligations in relation to the Credit Product Agreement. This also apply to connected persons of the customer and the Bank is thereby, under the circumstances, authorized to act in accordance with the preceding paragraph of this Item.

#### **4.2. Identification**

The customer shall deliver to the Bank all the data required for reliable identification of all legal and natural persons that are related to the customer in terms of positive legislation and inform the Bank without delay on any change in their connected relationship with other persons.

The customer shall immediately inform the Bank in writing of any change of personal information, name, address, headquarters, data on the status, data on the change in the ownership structure, authority to represent the Bank (person authorized to represent the company and the scope of their competence), establishing or termination of the relationship (as defined by the Companies Act), the submission of a proposal to institute prebankruptcy settlement, bankruptcy proceedings, initiating the bankruptcy proceedings or liquidation proceedings and other data on the basis of which the credit product or some other product or services were granted and submit with it the appropriate documentation.

The customer is responsible for all the failures or damages that may arise due to non-compliance with the obligation of submitting data on resulting changes as well as non-compliance of the obligation of submitting any other information requested by the Bank.

Legal representatives, procurators and the customer's attorneys are identified by an identity card or a passport.

Signature registrations are kept with the Bank and shall remain effective until the written revocation / cancellation or replacement with the new.

#### **4.3. Delivery of financial statements**

In accordance with the Agreement and this General Terms and Conditions and at every call of the Bank, the customer undertakes to regularly submit its audited annual financial statements during the use any of the products or services of the Bank (balance sheet, income statement, cash flow statement, quarterly statistical reports, notes) compiled in accordance with the relevant financial reporting standards that are consistently applied together with the auditor's opinion, as soon as they become available, within 120 days from the end of the financial year, as well as to deliver to the Bank the data which it delivers to the stock exchange for the purpose of a public disclosure or to other creditors, at the same time, as well as other information that relate or may affect its business or financial condition.

In addition, as long as there is any claim of the Bank against the customer, the customer shall immediately submit to the Bank the data made available to other financial institutions without delay and all other information that the Bank may request, either for the purpose of reporting to the competent authorities or for continuous assessment and management of credit risk exposure.

#### **4.4. Providing orders**

During any transaction with the Bank, the customer gives an order in a written form and the content acceptable for the Bank with which the specified documents are required to be submitted in accordance with Internal documents of the Bank. The content of the order must be unambiguous.

The Bank is not liable for any damage which may arise by a delay in business operations if the damage was caused by the need for additional checks if the content of the order is not sufficiently determined nor in case of force majeure or any other cause which the Bank can not influence and that caused a delay.

## 5 DOCUMENTATION

During the credit relationship, at the request of the Bank, the customer is obliged to submit the documentation of the customer, connected persons and all other participants which must completely be in accordance with the requirements of the Bank considering the form, content and other details.

The customer is responsible for accuracy, completeness and authenticity of the information listed in the documentation submitted to the Bank during the credit relationship and therefore holds the liability for any damage that the Bank may have in case of providing false information. In this case, the Bank reserves the right to apply for the damage compensation.

During the term of the credit relationship with the customer, the Bank shall accept the documentation of the customer solely in the Croatian language and if the original documentation is in a foreign language, the Bank shall accept a certified translation in the Croatian language. The Bank does not have to fulfill its obligation to the customer if the customer fails to comply with the above mentioned.

If, after submitting the application and establishing the contact by an employee of the Bank, the customer fails to call in within 30 days, the Bank may contact the customer in order to verify the status of the application. If the customer does not answer within further 30 days or provide necessary documentation to the Bank, it shall be considered that the customer withdrew from its application and that submitted documents will be returned to the customer.

## 6. CREDIT PRODUCTS

### 6.1. Use of the loan

The term of the loan use is the term within which the funds from the approved loan can be used and after the expiration of the term, the loan is transferred to the repayment or the grace period.

The grace period is the period after the expiration of the loan use in which the repayment of the loan principal is deferred and in which the interest rate to the loan principal is calculated and charged in accordance with the credit product agreement.

The way to use the loan depends on the contracted purpose of the loan and the customer can start using the approved and contracted loan after the delivery of all contracted payment insurance instruments to the Bank and fulfillment of all contractual conditions on the date determined by the Bank depending on its capacities.

### 6.2. Maturity

Maturity date of any credit product is considered the date agreed upon the credit product and the date by which the customer is obliged to perform all obligations to the Bank under the Credit Product Agreement.

### **6.3 Loan repayment**

The repayment period is the period within which the customer is obliged to return the loan principal together with all accrued interest rates and other costs. The repayment period begins after the expiry of the term of the loan or transfer of the loan to the repayment.

The method of the loan repayment is possible in annuities or installments, on a one - time, successive, semi - annual, quarterly, monthly basis or at irregular installments in accordance with the repayment dynamics agreed in the Credit Product Agreement.

The repayment of the loan in installments means that the customer repays equal amounts of principal in an agreed dynamics. The amount of interest rate is calculated to the amount of the remaining loan principal.

The loan repayment in installments is a gradual method of the loan repayment whereby the part of the principal and contracted interest rates is repaid in the fixed amounts (annuities) in determined time periods as defined and specified in the repayment plan. The portion of the principal and corresponding interests is included in the annuity and determined in the way that the total amount of an individual annuity is always the same so that, upon the loan maturity, the total loan liability is completely fulfilled.

The repayment plan is the loan repayment calculation which shows the amount of the loan, the amount and number of annuities / installments, the loan repayment period, the amount of the nominal interest rate.

### **6.4. Currency and payment method**

The Bank approves credit products in HRK, in HRK indexed to a foreign currency or in a foreign currency.

The currency clause is a type of a protective clause contracted in order to protect against the currency risk conditioned by the change in the money value.

The loans granted in HRK are paid out and repaid in HRK and the foreign currency loans are paid out and repaid in the agreed foreign currency. The loans with a currency clause are paid out in HRK by applying the contracted exchange rate in relation to the agreed currency applicable on the date of the payment or on the day of the loan disbursement and are repaid in HRK by applying the contracted exchange rate in relation to the agreed currency applicable on the payment date (annuity, installment, interest rates, etc.)

The liabilities for other credit products contracted in foreign currency are settled in the agreed foreign currency and the liabilities for credit products contracted in HRK with the currency clause are settled in HRK by applying the contracted exchange rate in relation to the contracted currency applicable on the maturity date.

By contracting the credit product with the currency clause, the changes are possible in the amount of credit product liabilities arising from changes in the contracted exchange rate.

If the customer does not provide the funds in the contracted currency sufficient to settle the obligations under the credit product denominated in a foreign currency, but provides the funds in some other foreign



currency, the customer will sell the foreign currency to the Bank at the buying rates of the Bank for that currency and at the same time buy the necessary amount of funds in the agreed currency at the selling rate of the Bank, applicable on the date of the settlement of liabilities for the credit product.

If, prior to the settlement of all obligations of the customer, the common currency of the European Union is introduced as a legal means of payment, the Bank is authorized to make the conversion of all liabilities and claims of the customer in HRK to the common currency of the European Union in accordance with the official exchange rate of the conversion.

After the receipt of the payment by the customer, the Bank shall, within one loan account, close its receivables according to their type in the following order:

- receivables arising from other basis (costs: legal fees, notary fees, expert analysis, warnings and similar)
- receivables arising from fees
- receivables arising from default interests
- receivables arising from intercalary and regular interest rate
- receivables arising from the principal.

The Bank reserves the right to change the order of closing due receivables without a prior consent of the customer at any time, of which the Bank shall inform the customer.

### **6.5. Interest, fees and costs**

The customer shall pay to the Bank the interests, fees and other costs on credit products in the amount and as determined by the Credit Product Agreement and Internal documents of the Bank.

In the course of the credit relationship, the Bank may change contracted interest rates, fees and other costs due to changes in market conditions in the domestic and / or foreign markets, changes in the business policy of the Bank, changes in credit and monetary policy of the Republic of Croatia, changes in the regulations and compliance with applicable regulations, the customer's irregular fulfillment of the obligations as well as for other reasons which may affect the change in interest rates, fees and other costs, according to Internal documents of the Bank.

The Bank is obliged to inform the customer in writing of any change in interest rates or fees in relation to the one agreed with the customer. If the customer's credit obligations towards the Bank increase after the change in interest rates or fees, the customer may, within 30 days from the Bank's notice date about the change in interest rates or fees propose to the Bank the agreed termination of that credit relationship and settle all its obligations to the Bank. The absence of complaint within the specified time shall be deemed that the customer has agreed to the change in interest rates or fees.

Interest rates are expressed as a percentage per annum and can be fixed or variable. They are calculated by the proportional calculation method and are collected in accordance with the Credit Product Agreement and Internal documents of the Bank.

Fixed interest rate is the same throughout the entire contractual credit relationship and does not depend on market conditions.

Variable interest rates can be administrative or variable due to changes in benchmark interest rates (eg. Euribor, Libor, NRS, etc.). Type, date of application and the frequency of changes in variable interest rates is determined by the Credit Product Agreement concluded between the Bank and the customer.

The benchmark interest rate is the interest rate that is used as a basis for calculating the interest rate to be applied and which arises from the publicly available source. If the interest rate is related to the application of the benchmark interest rate (eg. Euribor, Libor, NRS, etc.), it is formed at the end of each accounting period for the following accounting period as the sum of the reference rate applicable on the first day of the current accounting period and margins, unless otherwise regulated in the Credit Product Agreement. The benchmark interest rate (eg. Euribor, Zibor, Libor, NRS, etc.) becomes applicable two business days after the date of disclosure so that the same shall be determined two working days prior to the beginning of the accounting period.

If the interest rate is bound to the rate of return on T-bills of Ministry of Finance, it shall be determined based on the yield made in the last auction of treasury bills preceding the start of each Interest rate period, unless otherwise regulated by the Credit Product Agreement.

Interest rates are calculated on the last day of the accounting period when due.

Interest rates, fees and costs are calculated in the currency complied with the currency of the credit product. Interest rates, fees and costs on credit products contracted in HRK are paid in HRK, interest rates, fees and costs on credit products contracted in foreign currencies are settled in an agreed foreign currency and interest rates, fees and costs on credit products contracted in HRK with the currency clause are settled in HRK by applying the contracted exchange rate in relation to the agreed currency applicable on the maturity date.

The customer can pay the calculated interest rates by the payment to the account of the Bank or the Bank may collect the amount by debiting the customer's account on the same day after the completed calculation. The Bank shall charge interest rates with the agreed allowed overdrafts on business accounts of the customer solely by debiting the customer's account on the same day after the completed calculation.

If the Bank make payments upon the guarantee or the letter of credit, the Bank will calculate and collect from the customer the agreed fee for the payment under the guarantee or the letter of credit in accordance with Internal documents of the Bank and it will collect from the customer the paid out amount under the guarantee or the letter of credit increased by a default interest rate calculated from the payment date under the guarantee or the letter of credit until the date of the final collection from the customer.

#### 6.5.1 Fees

The Bank shall calculate and charge all fees on credit products in accordance with the Credit Product Agreement and Internal documents of the Bank.

The application processing fee must be paid before or on the date of the first use of any loan product at the latest. If the payment of fees is agreed with the customer so that it is collected from the loan during the first loan disbursement, the Bank will first charge the fee by setting off receivables and obligations and making the remaining loan amount available to the customer.

The Bank will charge the fee for the processing of the application for amendments to the terms and conditions of the credit products in accordance with Internal documents of the Bank.

During the credit relationship with the customer, the Bank is also entitled to charge other fees and / or costs arising from the credit relationship in accordance with Internal documents of the Bank.

If the customer withdraws before the first use of the approved credit product, the Bank shall calculate the agreed fee for processing the application and terminate the Credit Product Agreement.

If the customer fails to submit all payment insurance instruments and / or does not fulfill its contracted obligations after concluding the Credit Product Agreement or until the final deadline of the loan use, it shall be deemed that the customer withdrew from the credit product and that the Bank has the right to calculate and collect the contracted fee for processing the application and terminate the Credit Product Agreement.

During the realization of the bills of exchange and purchase of receivables, the Bank shall calculate and immediately charge fees and interest rates by deduction of the disbursement amount.

#### 6.5.2 Regular interest rate

Regular interest rate may be agreed in the maximum amount of the statutory regulated interest rate.

The Bank calculates the regular interest rate under an individual Credit Product Agreement at the rate and deadlines determined in the Credit Product Agreement.

Regular interest rate is calculated to the amount of the used loan from the date of use until the repayment date. The calculation of the regular interest rates on annuity loans is done by applying the proportional method on the basis of equal days in the month (30) and 360 days a year, while the calculation with other loans and the framework loans on transaction accounts is done by applying the proportional method on the basis of the actual number of days in a month and 365/366 days in a year. The calculation and collection of the interest rate are made in the currency complied with the loan currency.

The Bank shall calculate the increased interest rate in relation to the contracted rate to the amount of the used but unpaid loan amount from the maturity date until the payment date and, depending on the regulated individual agreements, it shall calculate the increased interest rate in relation to the contracted in the amount pursuant to the Credit Product Agreement and Internal documents of the Bank.

When the change in the amount of the regular interest rate with the loans affect the change in the annuity amount, the new loan repayment plan will be submitted to the customer. If the change in the regular interest rate increase the credit obligations of the customer against the Bank, the customer may, within 30 days from the Bank's notice date on the change of the interest rate or fees propose to the Bank the agreed termination of that credit relationship, provided that the customer meets all of its obligations to the Bank. The absence of complaints within the specified time shall be deemed that the customer has agreed to the change of the regular interest rate.

#### 6.5.3 Intercalary interest rate

Intercalary interest is calculated according to the method and in the amount of the regular interest rate to the used loan amount from the beginning of use until the beginning of the loan repayment.

#### 6.5.4 Effective interest rate

The effective interest rate (EIR) is an indicator of the total price of the loan repaid by the customer to the Bank. In addition to the regular interest rate, the amount of the effective interest rate is also affected by the fee amount, the loan repayment period, the amount of any possible security deposit or share, etc. The effective interest rate is calculated in accordance with the provisions of the Croatian National Bank. The cost of estimates, certification by a notary public, court and other charges are not included in the calculation of the effective interest rate.

#### 6.5.5 Default interest rates

The Bank calculates default interest rate to due but unsettled debt on the basis of the loan principal, fees and any other costs in the amount of the statutory default interest rate and as regulated by law from the due date until the date of settling the liability, and charges in accordance with the Credit Product Agreement, except in cases when the obligation matures on a non working day and when it is entirely settled the next working day. In such a case, the default interest is not calculated for a non working day that is the maturity day and the following non working days until the first working day when the payment is made.

### **6.6. Payment Insurance Instruments**

The customer can start with the use of the approved and contracted credit product after delivery to the Bank of all contracted payment insurance instruments and after the fulfillment of all contracted obligations. Contracting the payment insurance instruments depends on the type, purpose and the amount of credit products.

The contracted payment insurance instruments are insurance instruments for returning receivables of the Bank which the customer and other participants in the credit relationship are obliged to submit to the Bank in accordance with the Credit Product Agreement and Internal documents of the Bank.

The customer shall, at his own expense, insure the property with established lien / mortgage in favour of the Bank or where the property rights were transferred for the purpose of insuring with an insurance company previously accepted by the Bank, against the usual risks covered by the insurer, and shall contract the insurance policy in favor of the Bank and renew contracted insurance until the termination of the claims of the Bank ensured by the lien (mortgage) or transfer of the ownership rights (fiduciary). The customer shall deliver the renewed insurance policy to the Bank no later than the expiry date of the previous insurance policy.

The Bank is entitled to audit the valuation of the property that is submitted as payment insurance instrument in accordance with legal regulations and Internal documents of the Bank during the loan product period, at the expense of the customer. The customer shall enable the Bank monitoring and assessment of the quality of payment insurance instruments during the entire business relationship at its own cost.

If the customer does not deliver to the Bank a renewed / new estimate of the value of the asset that is the subject of insurance, the Bank has the right to cancel the credit product or make an audit / estimate at the expense of the customer and increase the customer's obligation to the Bank by such costs.

If the customer does not deliver to the Bank the renewed insurance policy and / or does not carry out the due payments of the contracted policy premium, the Bank has the right to cancel the credit product or pay the due unpaid premiums at the expense of the customer and increase the customer's obligation to the Bank by such costs.

The Bank is entitled to activate and implement any agreed payment insurance instrument, in any order, at its own choice and without prior notice and approval by the customer.

If the customer does not pay the due amount at maturity date, the Bank may, on the basis of the bills of exchange and promissory notes, submit an order for debt collection from the customer's account, all in accordance with the provisions regulating these issues.

If the customer and / or guarantor payer does not fulfil any of the customer's obligations under the Loan Agreement, the Bank is authorized to collect all due receivables from the basis of the Credit Products Agreement, particularly the principal, regular interest rate, default interest rate, fees and expenses, by means of promissory notes provided as payment insurance instrument for the credit product even prior to the cancellation or the termination of the credit product agreement, without submitting a warning or a notice.

By signing the Credit Product Agreement or the bill of exchange statement, the participant in the credit relationship shall, as a debtor under a bill of exchange, explicitly and irrevocably authorize the Bank in a separate document to use any submitted bills of exchange for the purpose of the collection of due uncollected receivables in accordance with the Credit Product Agreement and to use any bill of exchange submitted to the Bank for the purpose of the collection of due uncollected receivables of the Bank during the entire time of the existence of the obligations under the same agreement. By signing the agreement or the bill of exchange statement, the participant in the credit relationship will further as a debtor under a bill of exchange irrevocably authorize the Bank in a separate document to use any submitted bill of

exchange on the due amount of uncollected receivables at the time of fulfillment of the bill of exchange and entitle the Bank to enter in the bill of exchange the due date and all other missing data, including the date of issue, its submission to the Bank or to other banks and submitting it to the Bank or another bank for the collection.

Regardless of the provisions of each deposit agreement, the Bank may withdraw the term deposit of the customer before the expiry of the agreed maturity date for the purpose of settling its due claims which it has against the customer on any grounds. If the customer has not settled any due obligations to the Bank, the Bank has the right to refuse to the customer disposal of deposited funds.

If the new payment insurance instruments are introduced during the term of the credit relationship between the Bank and the customer due to changes in the level of risk or payment insurance instrument value, the customer shall, at the written request of the Bank, immediately submit to the Bank such instruments. The Bank can subsequently, until the complete collection of the loan, request other payment insurance instruments from the customer. The customer is obliged to replace the used payment insurance instruments with the new ones at the first request of the Bank.

### **6.7. Purpose of the loan**

The Bank is authorized to conduct financial and technical control and general supervision of the purpose use of the loan. The control of the purpose use of the loan shall be carried out through the payment documentation, control in the field and possible contracting of financial / construction supervision via the company with the authorized persons for carrying out such supervision at the customer's expense. Any prevention of exercising these powers entitle the Bank to terminate the Credit Product Agreement, make the entire claim due and request the payment of the entire debt amount without providing any particular deadline.

### **6.8. Failure to meet obligations**

Any of the following cases shall be considered, in addition to others, as non-fulfillment of the Credit Product Agreement:

- a) **Failure to meet the payment obligations:** If the customer does not meet any payment obligation from the credit product at maturity;
- b) **Inaccuracy of data:** If it is shown that any statement or a guarantee under Item 4.1 of this General Terms and Conditions provided or repeated by the customer in any of the financing reports or in any notification submitted under the Credit Product Agreement, was not accurate in any essential point at the time when it is given or re-issued and if it has not been corrected within eight (8) working days, if such a violation could be corrected;
- c) **Violation of financial obligations:** If the customer fails to comply with any contractual obligation or any other financial obligation that stems from the Credit Product Agreement;
- d) **Violation of other obligations:** If the customer fails to comply with any other obligations arising from the financing agreement and if the failure or a violation is not corrected within ten (10) working days;

- e) **Lawsuits and other proceedings:** If any court, administrative, arbitration or other proceedings related to the movable or immovable property are initiated against the customer (other than the cases in which the lawsuits or the claims are dismissed, withdrawn or rejected within the time limit of 30 business days after initiating), the outcome of which may have significant adverse effects on the company's business or assets, business status or operations of the customer or could have a significant and adverse effect on the customer's ability to properly fulfill its obligations under the Credit Product Agreement;
- f) **Failure to settle debts:** If the customer suspends or threatens to suspend the payment of debts (without prior written consent of the Bank) or if he or she is not capable or if it can reasonably be assessed that the customer is unable to settle the debts at maturity, or if something causes the impossibility of settling all or part of debts to its creditors in general, or if any similar circumstances occur with the customer or its connected persons;
- g) **Insolvency:** If the customer and / or its connected persons become insolvent or with open liquidation, bankruptcy or similar proceedings, or if a bankruptcy trustee, an extraordinary trustee or a similar officer is appointed to manage all or part of their property or assets;
- h) **Liquidation and Bankruptcy:** If a final decision has been made on initiating the bankruptcy or liquidation of the customer or connected person (except for voluntary liquidation for the purpose of merging, acquisition, conversing or restructuring, under which condition they are required to obtain approval from the Bank, whereby such consent will not be unreasonably cancelled or delayed), or if the customer terminates or forfeits all or a substantial part of its obligations or threatens to suspend the performance of all or part of its business activity, or if anything similar to any of the foregoing acts under the law occurs, without the customer receiving the consent by the Bank.
- i) **Interim measures:** If any interim measure, order, judgment or decision has been made, which, in the assessment by the Bank as lender, materially and adversely affects or could affect the ability of the customer to continue carrying out its activities or that could endanger the customer's ability to meet contractual obligations;
- j) **Change of Membership:** If parent companies or shareholders / holders of the business units (connected persons of the customer) reduce their business share or shares in the customer or transfer them to a third party without the written consent of the Bank;
- k) **Force Majeure:** If the customer is unable to perform or fulfill its obligations under this Credit Product Agreement due to force majeure;
- l) **Substantial adverse change:** If there is any significant adverse change or circumstance that, according to the Bank's objective assessment, may or may have a material adverse effect on the customer's ability as a whole or on a consolidated basis to properly execute or fulfill any obligation under the Credit Product Agreement or other significant adverse change in the customer's financial position, liabilities, assets or business operations of the customer;

- m) **Withdrawal of Concessions, Consents and Permissions:** If the competent state or any other authorized body undertakes any measure for the purpose of the seizure of licenses, concessions, agreements, exemptions, authorizations, consents or approvals approved to the customer, in performing all or almost all of its activities, or preventing the customer from performing or fulfilling any of its obligations under the financing documents;
- n) **Enforcement and other enforced proceedings:** If enforcement, prohibition or other enforced action is initiated, executed or conducted against any customer assets and if such proceedings are not dismissed nor suspended within fifteen (15) days from the date of initiating;
- o) **Damage:** A complete defect or, in the Bank's reasonable assessment, a significant damage to a substantial part of the customer's property, unless full compensation has been received within one (1) month either by an insurer, third parties or the customer itself so that the above compensation removes any deficiencies in the customer's property;
- p) **Violation of Statements and Guarantees:** Any other relevant violation of the Statements and Guarantees under Article 4.1. of this General Terms and Conditions;
- r) **Cancellation or termination of the payment insurance instrument agreement:** Cancellation or termination of any agreement by which collection payment insurance instruments were determined that have not been renewed or restored within eight (8) days from the cause of the cancellation or termination;
- s) **Omission of all legal actions related to the Tax Administration:** Omission of all legal actions for the refund of value added tax or not settling the tax liabilities to the Tax Administration that adversely affect or could adversely affect the customer.

It will be considered that there is the case of non-fulfillment of the obligations of the customer if such circumstances have also occurred on the side of the guarantor payers, co-debtors, pledged debtors and similar or persons under Item 6.6. of this General Terms and Conditions, whereby the Bank is authorized to act in such a manner as to maximally safeguard its interests until the termination of the credit product or the request for the realization of other payment insurance instruments in accordance with this General Terms and Conditions and Credit Products Agreement.

## **6.9. Termination of the Agreement**

The Bank has the right to cancel any Credit Product Agreement or all Credit Product Agreements if the customer breaches any contractual obligation and / or any provision from this General Terms and Conditions.

At the moment of the termination of the Credit Product Agreement, the entire amount of receivables that the customer owns or will owe to the Bank after the cancelled Credit Product Agreement will be due and the Bank shall have the right to activate all available payment insurance instruments as determined in the Credit Product Agreement. In this case, the customer undertakes to pay to the Bank the amount of due receivables, without delay, at the Bank's first call and within the given deadline.



The Bank's business books and other documentation which the Bank disposes with will be used for determining the amount of the Bank's receivables in the event of the termination of the agreement.

In case of the cancellation of the Credit Product Agreement, the Bank shall send a written notice to the customer explaining that because of the customer's failure or breach of contractual obligations, he or she is late with fulfilling contractual obligations, along with the specification of the total due receivables and the request for the payment of due receivables of the Bank within eight (8) calendar days.

The Bank shall distribute the notice on the cancellation to all participants in the credit relationship by the registered mail to the address from the Credit Product Agreement or the contact address of the customer. It shall be deemed that the time period for the payment commences upon the date of delivery of the written mail to the post office, regardless of the fact whether the same is handed to the customer. Credit Product Agreement shall be considered canceled after the expiration of the period of eight (8) calendar days from the date of the submission of the written mail to the post office, regardless of the fact whether it was handed to the customer.

The Bank has the right to cancel the Credit Product Agreement and make all receivables due and request the collection even before the expiry of the deadlines agreed for the refund of the credit product at the moment and after the occurrence of any of the following (**reasons for the cancellation**):

1. if the customer does not adhere to the provisions of this General Terms and Conditions on the credit product;
2. if the customer does not execute contractual obligations within the agreed deadlines;
3. in the event of the occurrence of any case of the failure to meet the obligations as specified in Item 6.8. of this General Terms and Conditions;
4. if the customer is late in payment for longer than 15 (fifteen) days with the fulfillment of any non-monetary liabilities under the Credit Product Agreement;
5. if the customer does not use the credit product according to the purpose for which it was approved and contracted and if the customer prevents the control of the purpose use of the credit product to the Bank;
6. if the customer does not pay two subsequent due installments;
7. if the customer does not maintain the creditworthiness, liquidity and solvency;
8. if the bankruptcy, prebankruptcy, enforced or other procedure is initiated over the customer's assets that serve as the loan payment insurance (that also relate to the persons under Item 6.6 of this General Terms and Conditions);
9. If any other proceeding against or related to the customer is initiated and its course or outcome could, by the Bank's objective assessment, threaten the ability of the customer to properly fulfill

its contractual obligations or if the possibility of initiating such proceedings is objectively prevented;

10. if the Bank determines that the customer, other loan participants or persons under Item 6.6. of this General Terms and Conditions provided incomplete, inaccurate or false statements and other information about themselves and their operations;
11. if the customer, without a prior written consent of the Bank, guarantees in any form whatsoever to meet the obligations of any third party (solidary obligations, guaranties, bills of exchange etc.);
12. if the customer approves short-term or long-term borrowings, grants, subsidies or acquires debt securities of any third party without the prior written consent of the Bank;
13. if there is additional indebtedness of the customer without a prior written consent by the Bank;
14. in the event of the violation of Financial contractual obligations that arise from the Credit Product Agreement;
15. if the shareholder and / or the holder of a business share (connected person) of the customer sells to a third person, without a prior written consent of the Bank, the entire or the portion of its business share of the customer;
16. if there is an objective danger against the circumstances for which the Bank may reasonably assume that they could have a negative impact to the customer's capacity to regularly execute its obligations from the Credit Product Agreement;
17. if, for any other reason, the payment insurance instrument under the Credit Product Agreement is reduced, loses legal validity or ceases to provide sufficient payment insurance for the customer's obligations under the Credit Product Agreement or if the customer does not provide additional or new payment insurance funds at the Bank's call;
18. if the Bank establishes or finds out that the customer fails to comply with the provisions of the Anti-Money Laundering and Terrorism Financing Law (Official Gazette 108/17) and all future amendments to the Law;
19. if the customer brings the Bank in an unfavourable position in relation to other creditors / lenders in terms of the execution of the obligations under the Credit Product Agreement;
20. if the customer brings the Bank in an unfavourable position in relation to other creditors / lenders under any other agreement or legal transaction with the Bank;
21. if the customer ceases to regularly fulfill the obligations undertaken on the basis of some other legal transaction concluded with the Bank;
22. if the customer does not fulfill its obligations against the state and suppliers;

23. if the customer establishes new companies or acquires ownership in companies by buying shares or stakes or participates in status changes without the prior written consent of the Bank;
24. if the customer prevents the Bank to review the stock of goods, business books and financial operations at any time during the credit relationship;
25. if all participants in the credit relationship had not maintained creditworthiness, liquidity and solvency during the entire credit agreement;
26. if the customer did not submit financial reports to the Bank on the operations with the regulated appendices within the time specified in the General Terms and Conditions and other financial documentation at the request of the Bank. The same obligation applies to all participants in the credit relationship;
27. if the customer had not renewed the insurance policy with the established pledge right
28. If the customer had not delivered the new estimate or an audit of the property assessment with the established pledge right to the Bank
29. if the customer did not, at the request of the Bank, submit the payment insurance instruments and the agreed number of bills of exchange and promissory notes in order to settle the claims and enable the Bank to assess the payment insurance instruments for the entire credit relationship. The same obligation applies to all participants in the credit relationship;
30. if the customer did not keep orderly and up to date bookkeeping
31. if the customer did not adhere to the laws and regulations in its operations
32. if the customer failed to inform the Bank of any further credit obligations in other financial institutions and loans with other persons;
33. if the customer as an Assignor (or another Bank's co-contractor who is also an Assignor) has changed with the debtor the terms and conditions of the contract with the claim assigned to the Bank without informing the Bank of these changes and requesting its prior consent;
34. if the business accounts of the customer, co debtor, guarantor or any other Bank's co-contractor are blocked;
35. if participants in the credit relationship initiate or become parties in the court or other procedure against the Bank;

The Bank is entitled to cancel this Credit Product Agreement even in the event of the failure to meet the obligations by third persons thus bringing the Bank in a specially unfavourable position, which will be considered

- a) if any financial liability of the group that the customer is a member of, has not been collected upon the maturity; or

- b) if any financial liability of the group that the customer is a member of, becomes a prematurely due and collected following the case of a failure to meet the obligations (regardless of the way it has been described, such as loss on a consolidated basis, but not only this) on the basis of the document referring to the above financial indebtedness;

all under the condition that such cases of the failure to meet the obligations exceed the value of the two installments and/or annuities and/or two uncollected repeated obligations on the basis of the interest rates under the credit product approved by the Bank, or

- the total used amount of revolving and overdraft,
- the amount of the approved guarantee,
- two installments / annuities / interest rates of the approved individual loan under the Frame Agreement and / or an approved amount for an individual product under the Frame Agreement.

The unfavourable position of the Bank will also be considered as such and the Bank will be entitled to cancel this Credit Product Agreement in the way and under the conditions of this General Terms and Conditions and according to the provisions of the Credit Product Agreement if the customer fails to meet the obligations to a third party (for example, but not exclusively, to a credit or financial institution or any other customer's creditor).

The Bank is authorized to terminate any Credit Product Agreement, **without providing a specific time limit**, by a one-sided statement addressed to the customer or any other contracting party (co-debtor, guarantor or other Bank's co-contractor) by the registered mail and / or e-mail and thus make the entire claim due, particularly in cases of the cancellation reasons set out in Items 8, 9, 10, 16, 17, 29, 30, 33 and 34 of Paragraph 6.9 of this General Terms and Conditions and in case of a longer illiquidity of the participants in the credit relationship or in case of not executing or irregular execution of any obligation under the Credit Product Agreement or in case of any failure to fulfill obligations as prescribed in Item 6.8. of this General Terms and Conditions. In the event of the termination of the Agreement in accordance with this paragraph, the Bank shall activate all means of payment on the same day, including sending the promissory note for the collection at FINA.

The customer can cancel the Credit Products Agreement by the notice letter with the obligation of payment of all obligations under the Credit Product Agreement, in which case the provisions of this General Terms and Conditions regulating the early loan repayment shall apply.

In the event of the cancellation or the termination of the Credit Product Agreement, the Bank is entitled to use the promissory notes of the customer and other obligors (guarantor payers) given as a means of securing the Credit Product Agreement for the purpose of collecting the due receivables under the Credit Product Agreement and is not obliged to return them to the customer or other obligors (guarantor payer).

#### **6.10. Set-off and Compensation**

The Bank may, without prior consent of participants in the credit relationship and in order to collect its due receivables, hold all the resources which the participants in the credit relationship keep with their accounts with the Bank, whether a vista, purpose or non-purpose term deposits, foreign currency inflows

or on any other grounds until the complete collection of due receivables of the Bank. In this case, the Bank shall submit to the participant in the credit relationship a written Statement of unilateral set-off.

### **6.11. Contracting authority**

By signing the Credit Product Agreement, participants in the credit relationship authorize the Bank and give an irrevocable order that it can use all their funds found in the account or that may be found in the open accounts with the Bank in future for the collection of all due receivables on the basis of any Credit Product Agreement.

The Bank may, without a prior specific approval of the customer, use the amount of more and / or pre paid funds to the account of the credit product in order to close due unsettled debts of the same customer on some other grounds.

### **6.12. Early loan repayment**

The customer can repay back the loan even before the expiry of the contracted period but is required to notify the Bank of this at least eight (8) calendar days prior to the intended date of return of the loan. In this case, the customer is obliged to pay the fee for the early loan repayment to the Bank in the amount determined by Internal documents of the Bank, unless otherwise agreed.

### **6.13. Filing a complaint**

If the customer believes that the Bank violated some of his or her rights during the credit relationship, the customer shall immediately, but not later than 30 days from the event / situation deliver to the Bank a written complaint and the Bank shall respond in writing within a reasonable time.

In its response, the Bank shall offer solutions acceptable to the Bank. If the customer does not respond within 15 days from the date of receiving the reply, it shall be deemed that he or she accepted the solution of the Bank. If the customer does not accept the proposed solution, the customer may terminate the contractual relationship with the Bank.

### **6.14. Transfer and / or assignment of the rights and obligations**

The Bank has the right to assign or transfer its receivables and received payment insurance instruments to a third party at any time.

The customer can not, without a prior explicit and written consent of the Bank, assign any rights or obligations to a third party, or encumber in any other way his or her rights from the Credit Product Agreement, nor undertake any action that would prevent or threaten the collection of the Bank's claims arising from the Credit Product Agreement.

The Bank may at any time transfer, assign and / or further syndicate its rights and obligations from the Credit Product Agreement to a third party without a particular consent of the customer.

In case of such further transfer or syndication referred in the preceding paragraph of this Item, the acquirer of rights and obligations will access the Credit Product Agreement and become a new Loan Provider under the Credit Product Agreement as if he or she was appointed a contractual party on the day of the conclusion of this Credit Product Agreement and have the same rights, claims, status, interest rates and contractual position on a pro rata basis or in full as a transferor of such rights and obligations.

The assignment of rights and transferring the obligations from the Credit Product Agreement creates legal consequences from the date of the transfer which will be stated in the statement on the assignment and acceptance of rights and obligations under the Credit Product Agreement in accordance with a special statement on the assignment and acceptance of rights and obligations that the Bank will then conclude with a transferee.

### **6.15. Governing Law and Resolving Disputes**

The credit relationship, the rights and obligations of participants and the Bank in a credit relationship are subject to the laws of the Republic of Croatia unless otherwise agreed by the Credit Product Agreement.

In case of any dispute arising from the credit relationship between the Bank and the customer, the competent court, according to the location of the headquarters of the Bank, will have jurisdiction.

The customer and the Bank may entrust the resolving of mutual disputes to the Conciliation Centre of the Croatian Chamber of Commerce by submitting a proposal for conciliation.

## **7. DEPOSIT OPERATIONS**

On the basis of the Deposit Agreement, the customer shall pay a sum of money to the deposit account with the Bank for a certain term period in the form of the term deposit or without the agreed term as a saving deposit.

At the customer's request, the Bank is obliged to make available to the customer the paid amount of the deposit in accordance with the contracted terms and conditions.

Deposit term is the period in which the customer deposits funds according to pre-agreed terms with the Bank. The deposit term period with the term deposits starts on the date of the conclusion of the Deposit Agreement and expires on the last day of the agreed deposit term.

Term deposit is not renewed automatically. The principal and the interest rate are disbursed after the expiration of the term deposit in accordance with the Term Deposit Agreement. To extend (renew) the term deposit, it is necessary to agree the new conditions with the Bank.

The funds may be deposited in HRK or in a foreign currency. In case of introducing the common currency of the European Union as a legal means of payment in the country, the Bank has the power to execute

the conversion of all obligations of the customer expressed in HRK to the common currency of the European Union in accordance with the official exchange rate of the conversion.

The Bank shall pay the interest rate on deposits contracted in a particular Deposit Agreement. The contracted interest rate is calculated to deposited funds from the date of depositing funds until the date of expiry of the agreed deposit term.

The conformal method shall apply in calculating the interest rates on deposits based on the actual number of days in a year, unless explicitly agreed otherwise.

The effective interest rate is equal to the contracted interest rate.

The customer has the right to terminate the Deposit Agreement even before the expiry of the agreed term, unless explicitly agreed otherwise and provided that all other obligations of the customer to the Bank are fulfilled. When the deposit is provided as a payment insurance instrument, the customer can not terminate the Deposit Agreement before entirely settling the secured claim. In case of early termination of the term deposit at the request of the customer, the applicable interest rate on a vista deposits shall apply to the deposit amount and realized number of days of deposit term, unless agreed otherwise.

## 8. TRANSITIONAL AND FINAL PROVISIONS

General Terms and Conditions are an integral part of the individual agreement concluded with the customer and some business relationships are also subject to other Internal documents of the Bank. In case of the collision of individual agreements, General Terms and Conditions and other Internal documents of the Bank, the provisions of individual agreements shall primarily apply, then Internal documents of the Bank and finally General Terms and Conditions, unless explicitly agreed otherwise.

General Terms and Conditions are made in writing and they are available in each business unit of the Bank and on the Bank's website.

By submitting any application to the Bank, executing any transaction or any other business with the Bank, the customer confirms that he or she is aware of and agrees with the content of the General Terms and Conditions and Internal documents of the Bank regulating the operations of the Bank in relation to the product or service which the customer uses or has requested as well as with their possible amendments and that he or she accepts the rights and obligations assigned on such basis.

The Bank will make available any amendments to this General Terms and Conditions in the business units of the Bank and on its website at least fifteen (15) days before they become effective.

If the customer, within 15 days, fails to submit written comments on the amendments, it shall be deemed that they have been accepted by the customer.

If, any of the provisions from this General Terms and Conditions is subsequently determined to be null and void, this fact will not have an impact on remaining provisions of this General Terms and Conditions.

They shall remain entirely applicable provided that the Bank undertakes to replace the null and void provision with the valid which will, to the fullest extent possible, allow the achievement of the objective which was to be achieved by the provision determined to be null and void.

The Croatian National Bank, Trg hrvatskih velikana 3, 10002 Zagreb is the supervisory body of the Bank. If the financial instruments are agreed as insurance instruments in accordance with the Capital Market Act, the Croatian Agency for Supervision of Financial Services is also the supervisory body of the Bank.

\* \* \*

This General Terms and Conditions shall enter into force on 16 November 2021 and shall apply from 2 December 2021. They will be available on the Bank's website. The customers who entered into the Credit Product Agreement with the Bank before the effective date of this Terms and Conditions can request the termination of the Credit Product Agreement no later than the date of the application of this General Terms and Conditions, provided that they previously meet all obligations to the Bank.

This General Terms and Conditions shall also apply to all open Credit Product Agreements concluded by the date of entry into force of this General Terms and Conditions unless the customer requests the termination of the Credit Product Agreement concluded prior to the entry into force of this General Terms and Conditions in writing and provided that the customer previously meets all its liabilities to the Bank.

General Terms and Conditions of KentBank d.d. in credit and deposit operations with business entities from 2 January 2020 shall cease to apply with the entry into force of the amendments to this General Terms and Conditions.