



**General Terms and Conditions of KentBank d.d.
for Transaction Accounts and
Payment and other Services of Business Entities**

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1. INTRODUCTORY PROVISIONS

General Terms and Conditions of KentBank d.d. for transaction accounts and performing payment and other services for business entities (hereinafter: Terms and Conditions) regulate opening, keeping and closing transaction accounts of business entities - non consumers and conducting payment services in the country and abroad that are carried out for business entities, residents and non-residents by KentBank d.d. in the national currency of the Republic of Croatia and other payment currencies (hereinafter: the Bank).

These Terms and Conditions provide information on the use of payment services, fees, interest rates and exchange rates, reporting on changes and balances in the accounts, protective and corrective measures, amendments and cancellation of the framework agreement.

Within the meaning of these Terms and Conditions, a business entity is a legal entity, a governmental body, bodies of state administration, local governments, associations and societies (sports, cultural, charitable and similar), foundations, religious communities, natural persons that operate in the field of their economic activities or self-employment (public notary, doctor, lawyer, farmer, etc.) and other non consumers, who may have the status of a resident or a non-resident.

By signing the Agreement on opening and managing a transaction account and performing payment and other services (hereinafter: the Agreement), the business entity confirms to be aware of the provisions of the Terms and Conditions and other corresponding documentation that is an integral part of the framework agreement within the meaning of the Payment System Act, and accepts their application.

These Terms and Conditions apply to all existing contracted arrangements on opening and managing transaction accounts of business entities with the Bank and the existing contracted relationships related to the payment transaction services concluded between the business entities and the Bank.

2. DEFINITION OF TERMS

Bank:

KentBank d.d. Zagreb, Gundulićeva 1, Zagreb, Republic of Croatia

Registered at the Commercial Court in Zagreb, MBS: 080129579, PIN (OIB): 73656725926

Tel: +385 1 4981 900

Fax: +385 1 4981 910

E-mail: kentbank@kentbank.hr

Internet page: www.kentbank.hr

SWIFT: KENBHR22

IBAN: HR5741240031011111116

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The list of branches of the Bank together with the contact addresses are available on the Bank's web pages. The Bank performs its business activities under the operating licence issued by the Croatian National Bank (hereinafter: the CNB), acting as the supervisory body for monitoring operations of the Bank.

Batch booking: the method of debiting the Payer's account that can be labeled with "True" or "False". The designation "True" specifies that the User, when placing a bulk order, must insure the coverage in the account for the total amount of payment orders in the bulk order, otherwise the entire bulk payment order is refused.

CRS (Common Reporting Standards): an integral part of the Council Directive 2014/107/EU of 9 December 2014 on the amendments to the Directive 2011/16/EU and relates to obligatory automatic exchange of information in the field of taxation.

Date of carrying out the payment order: the date on which the Bank debits the User's Account.

Currency date: the date when the Bank approves the account of the payment service provider of the payee or when receiving the payment transaction, the date when the Bank approves the User's account.

Member State: the state signatory to the Treaty on the European Economic Area.

FATCA (Foreign Account Tax Compliance Act): the Agreement between the Government of the United States of America and the Governments of FATCA Countries for the purpose of improving the implementation of the tax obligations at the international level and the implementation of FATCA.

IBAN (International Bank Account Number): the international transaction account number of the payment service User. IBAN is a unique account identifier of the User provided by the Bank to its clients.

Authorization identifier: a unique number in the combination with the identifier of a recipient of the authorization assigned by the payee for the purpose of unambiguous marking of the authorization.

Respondent: an individual whose identity can be determined; a person who can be identified directly or indirectly, particularly with the help of identifiers such as name, identification number, location data, network identifier or with the help of one or more factors inherent in physical, physiological, genetic, mental, economic, cultural or social identity of that individual; Within the meaning of this document, the Respondent is the Client of the Bank.

Unique Identification Code: a unique number of the User's transaction account opened with the Bank or the number which the User must specify in the payment transactions in order to clearly determine the other payment service user and / or the account for the payment of the other payment service user that is used in the payment transaction.

User: a business entity, resident or non-resident that enters into Agreement with the Bank and uses payment services as a Payer and/ or a Payee.

Credit transfer: a national or a cross-border payment service authorizing the payee's account for the payment transaction or a series of payment transactions at the expense of the payer's account by the provider of the payment service where the payer's payment account is maintained, on the basis of the instructions given by the Payer.

Home Member State: a Member State where the registered office of the payment service provider is located. If the provider of the payment services has not the registered office according to its national law, then it is a member state where its management is located.

International payment transaction: the payment transaction where two payment service providers participate, one in the Republic of Croatia and the other according to the regulations of a third country.

Interbank business day: the day when the bank is open for the operations between the banks or when the bank of the payee and the bank of the payer operate through the payment system.

National payment transaction: the payment transaction in the execution of which only the Bank or the Bank and the Payee's payment service provider operating in the Republic of Croatia participate.

The Bank carries out national payment transactions in accordance with the rules of the European Union for the execution of the credit transfers according to the SEPA standards.

Payment Order: the instruction provided by the Payer or the Payee for the payment transaction containing all required elements for carrying out the payment transaction.

Non-residents: all business entities that are not listed as residents are considered non-residents.

Framework loan: the approved overdraft or the amount of funds made available by the Bank to the User on the basis of the special agreement concluded with the User.

Framework Agreement consists of:

- Agreement on opening and maintenance of a transaction account and performing payment and other services
- A separate agreement on other payment and/or other services, if concluded
- Application (Request) for opening and maintenance of a transaction account (completed in the form of the Bank)
- Signature registration (completed in the form of the Bank or an Authorization for signing, verified in accordance with the law)
- Time of receipt and carrying out the payment order
- General Terms and Conditions of KentBank d.d. on transaction accounts and performing payment and other services for business entities
- Decision on interest rates for business entities and residential buildings

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- Decision on fees for business entities and residential buildings

Personal data - all data that relates to the individual whose identity is determined or can be determined (Respondent).

Authorized person: a natural person authorized by the Representative of the User for the disposal of the funds in the transaction account

PIN: a personal secret identification number of the authorized person of the User assigned by the Bank, known solely to the authorised person and strictly confidential, used for the identification of the authorized person and the authorization of transactions that require identification and authorization with the PIN.

Payer: a business entity that issues an order or the authorization for conduct of the payment order through a transaction account or an authorization to the payee for a SDD order; if there is no a transaction account, the business entity that initiates the payment order.

Payment Transaction: depositing, withdrawals or transferring funds initiated by the payer or the payee.

Payment services: services that provide depositing cash to the transaction account, withdrawals of cash from the transaction account, carrying out payment transactions at the expense and in favor of the transaction account.

Payment Instrument: any personalized means and/or set of procedures agreed between the User and the Bank that the User applies for initiating payment orders (i.e. Internet Banking).

Coverage: the amount of available balance in a debited currency sufficient for carrying out payment transactions.

Business SDD Scheme: a unique set of rules, practices, standards and implementing guidelines for the implementation of SEPA direct debits separated from any infrastructure or a payment system that supports its implementation and which are aligned with the SDD rules of the European Payment Council. The scheme applies to non-consumer Payers.

Cross-border payment transaction: the payment transaction with two payment service providers participating in the transaction of which one operates in the Republic of Croatia and other in accordance with the regulations of the second member state. The Bank carries out cross border payment transactions in EUR in accordance with the rules of the European Union for carrying out credit transfers according to SEPA standards.

Prior notice is the information of the amount and the time schedule of the collection delivered by the payee to the payer before the date of debiting the transaction account.

Registration of the signature: the form by the Bank where the authorized persons for the disposal of the funds in the account are recorded and their signatures registered for the purpose of the verification of the payment orders in paper. The User can register the seal in the Signature registration form and use it when verifying payment orders in a paper form. An authorization for signing that is verified in accordance with the regulation will also be considered as the Signature Registration.

Payee: a business entity or a natural person that the funds are intended to for the purpose of the payment transaction. Payee for the cash funds under the SDD order is the business entity that must be registered and active in the Registry of SEPA payees' identifiers kept with FINA.

Account Information Service Provider (hereinafter: AISP): the payment service provider that performs the activity of the payment account information service which is the online electronic service providing the consolidated information about the balance and the account turnover through the AISP for one or several payment accounts that the User has with the Bank.

Payment Initiation Service Provider (hereinafter: PISP): the payment service provider that performs the payment initiation service in the payment account which is the online electronic service by which the End User assigns the payment order at the expense of the payment account opened with the Bank over which the User is authorized to assign orders through the payment initiation service provider (hereinafter: PISP).

Payment service provider issuing a payment instrument based on the card (CBPII) - a payment service provider performing the activity of issuing payment instruments based on the card and sends the inquiry to the Bank on availability of the funds in the account.

Attorney: a natural person who is given the power of attorney for the representation by the User's Representative. The power of attorney must be verified by a notary public, except the powers of attorney of lawyers which do not have to be verified. A signature of the legal representative or a responsible person in the power of attorney does not need to be verified even when a legal representative or a responsible person signs the power of attorney personally in the Bank.

R-transaction: the payment transaction that cannot be carried out by the bank or the result of which is the exceptional processing due to lack of funds among others, a recall, a refund, an incorrect amount or an incorrect date, the absence of the authorization or an incorrect or closed account.

Working day: the working day on which the payer's bank or the payee's bank are open for business for the payment transaction to be carried out.

Available money funds: the current amount of the positive balance in the debited currency increased by the unused amount of the approved overdraft in the account in the debited currency, reduced by earlier submitted payment orders in the said currency waiting to be carried out.

Payment Reference: the number assigned by the Bank allowing the payer to identify payment transactions.

Residents:

- legal entities with the registered seat in the Republic of Croatia, except their branches located abroad,
- branches of foreign companies and sole traders entered in the register kept by the competent government authority or administration in the Republic of Croatia
- sole traders, craftsmen and other natural persons with the registered seat or residence in the Republic of Croatia, independently performing their registered activity
- diplomatic, consular and other representative offices of the Republic of Croatia abroad, financed from the budget and Croatian citizens employed in these representative offices and their family members

A sanctioned person is:

- a person included in the sanction list, or owned or controlled by the person included in the sanction list, or who acts on behalf of the person included in the sanction list;
- a person with a domicile, residence, registered office established in accordance with the regulations of the state or the area under the sanctions regime, or owned or under (direct or indirect) control of the person with a domicile, residence, seat of a person established in accordance with the regulations of the state or the area under the sanctions regime.
- a person subject to sanctions on another basis.

Sanctions include laws, regulations, embargoes or restrictive measures that relate to economic sanctions managed, enacted and enforced by the Sanctions Authority.

The body responsible for imposing sanctions means:

- Government of the United States of America,
- United Nations,
- European Union,
- Government of the Republic of Croatia
- Competent government institutions and agencies belonging to the aforementioned bodies, including, without limitation, the Office of Foreign Assets Control of the US Department of the Treasury (hereinafter: OFAC), the US Department of State.

Sanction lists include the "List of Specially Identified Citizens and Blocked Persons" maintained by OFAC, the Consolidated List of Entities Subject to Financial Sanctions and the List of Prohibitions.

SEPA Direct Debit (SDD): The payment service by which the user of the account allows other person (payee) to instruct the payment service provider of the user of the account to transfer funds from the user's account to the payee's account opened with other payment service provider in a member state of the

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European Union or a signatory state of the European Economic Area Agreement. The payment service provider of the user of the account then transfers the money to the payee on the date or the dates mutually agreed upon by the account user and the payee. The amount can be changed.

Consent: the Payer's authorization to the Payee for instructing a SDD order at the expense of the Payer's transaction account.

Third country: any non-Member state.

Transaction account: every multi-currency account opened and managed by the Bank for business purposes of the business entity (hereinafter: the Account) used for carrying out and recording payment transactions in the national currency of the Republic of Croatia and other currencies of the exchange rates of the Bank.

Processing Controller - a natural or legal person, body of public authority, agency or other body that alone or with others determines the purposes and means of processing personal data; when the purposes and means of such treatment are determined by the Union law or by the law of a Member State, the processing controller or special criteria for his or her appointment can be provided for by the Union law or the law of a Member State. **Within the meaning of this document, the Processing Controller is the Bank.**

Time of receipt and carrying out the payment order: the document of the Bank that defines the time of the receipt and the time of carrying out the payment order.

Representative: a natural person who, on the basis of the law, statute, founding or other act represents the User.

3. OPENING AND MAINTAINANCE OF A TRANSACTION ACCOUNT

3.1. Opening of the Account and identification of the User

The Bank will conclude the Agreement on opening and maintaining transaction accounts and performing payment and other services with the business entity after which the business entity acquires the capacity of the User of the payment services.

Before concluding the Agreement, the Bank will submit the Framework agreement for the purpose of informing of the rights and obligations of the User and the Bank arising from the conclusion of this Agreement.

The User may open several accounts for any business purpose which is in accordance with the regulations. The Bank will open the transaction account based on the Application for opening the account together with the submission of proper documentation enabling the identification of the User of the payment services and persons authorized for the disposal of the funds in the account as well as implementing other procedures in accordance with the regulations governing Anti Money Laundering and Terrorist Financing and automatic exchange of information in the field of taxation such as:

- Registration documentation, if the entry in the register is regulated;
- Act on the Establishment of the competent authority, if the User is not entered in the register and is not established pursuant to law;
- Excerpt from the law or other regulation, if the User is established pursuant to the law or regulation;
- Information on the classification of the User according to the National Classification of Activities for the clients that the notice is issued to;
- Registration of the signatures of the persons authorized to dispose of the funds in the transaction account signed by the person/s authorized for representing; The User can deposit the seal on the Signature registration form and use it when verifying payment orders in a paper form;
- Data on beneficial/actual owners;
- Questionnaire for the implementation of due diligence analysis for business entities;
- Personal identification documents that are internationally acceptable on the basis of which the identification of all natural persons related to the operations in the transaction account is carried out;
- Personal identification number of the User (PIN) and data on personal identification number of persons authorized to represent and dispose of the funds in the Account;
- Data required for maintaining the register of the transaction accounts of the Bank;
- Other documents in accordance with applicable laws or specifically required by the Bank in accordance with its requirements.

Agreement for the User will be signed by the legal representative of the User or the User who is a natural person acting within its activity or free profession.

After receiving the application for opening the transaction account and required documentation, the Bank will open a transaction account. The Bank will open the accounts in accordance with the law and in accordance with the construction determined by the subordinate legislation.

Types of the transaction accounts:

- Account for regular operations of the User
- Account of the organizational unit of the User
- Specific purpose account according to the User's needs
- Specific purpose account of the Client for the funds exempted from the enforcement under the law
- Specific purpose account regulated in the Unified Account Registry Rulebook
- Specific purpose account for the collection of the mutual budget income
- Budget account

All transaction accounts are open as multi-currency accounts; the account number and IBAN are the same for the national currency of the Republic of Croatia and other currencies to be operated with through the transaction account and that are shown in the exchange rates of the Bank.

The Account shall be entered in the transaction account register of the Bank. The Bank will enter the data in the Account Register from the documents enclosed to the Application for opening the account and the documentation on changes of particular data.

The Bank reserves the right to refuse the User's request for opening the transaction account without providing the explanation to such decision. The Bank will submit the written notice about the refusal to the User.

The User is responsible for the veracity and truthfulness of all data on the basis of which the Bank opened and maintains the transaction account and is obliged to compensate to the Bank for any damage, loss or expense incurred as a result of the delivery of untrue and/or incomplete data.

Should there be any changes to the data, the User will immediately and no later than 8 (eight) days from the change inform the Bank in writing and deliver the required documentation. For a User non-resident, the deadline is 30 (thirty) days from the date of change.

If the User fails to inform the Bank of the change, the Bank may alone make changes to the database only if informed about them from official registers or other documents that show no reasons to doubt their authenticity.

3.2. Authorized persons for disposal of funds

When opening the transaction account, the User's representative will empower one or several persons, collectively or individually, for signing payment orders and disposal of the funds in the account in the Registration Signature form. The User will change the Authorized persons for signing payment orders and the disposal of the funds in the Account in writing by completing the Signature registration form of the Bank. The new Signature registration forms will be applicable from the next working day of the day from receiving them in the Bank, if properly completed and verified.

For the purpose of disposal of the funds in a non-resident's transaction account, the authorised persons may deposit their signatures in the Bank's form - Signature Registration or they can deliver to the Bank a verified Authorization/Power of Attorney.

The Bank will not bear any responsibility for any damage caused as a result of the failure by the User to timely deliver changes on the authorized person for the disposal of the funds in the Account to the Bank. The User is obliged to inform the persons listed in the Signature Registration with their rights and obligations in exercising given powers to dispose of the funds in the Account and monitor their use.

The authorised person can perform all transactions for and on behalf of the User in line with the regulations. The authorised person is not authorised to cancel the Agreement, close the transaction account or transfer his or her powers to third persons or change the terms and conditions of the operations in the transaction account without a special power of attorney.

When a new legal representative of the User wants to revoke the authorised representative or appoint a new one, he or she is obliged to prove the authorisation for the representation with the decision on the registration of his or her appointment as a legal representative in the court register of a competent commercial court or other relevant register of the competent government authority, unless otherwise stipulated by law.

The authorization for the disposal of the funds in the transaction account by use of the electronic banking service will be granted and cancelled as determined by the separate agreements and/or special terms and conditions that regulate the mentioned service. When contracting the electronic banking service, the User's representative will authorize one or several natural persons for signing payment orders and disposal of the funds in the transaction account.

The User will give the authorization to dispose of the funds in the transaction account, change or cancel the account by means of electronic banking service, in writing.

The User is responsible for all authorized person's activities and failures and the Bank will not be liable to the User for any damage that might result from the actions or failures made by the authorized person.

3.3. Account maintenance and disposal of funds

The Bank maintains the account in the national currency of the Republic of Croatia and foreign currencies. The Bank undertakes to perform payment services through the User's account within the available funds in the Account.

The Bank will make available the amount of payment transactions to be disposed by the Payee in accordance with the payment transaction currency date and no later than the date when the Bank's account is approved to that amount or after the Bank receives the notification on approval of the account.

Payment transactions that come from the payer of other local or foreign bank are processed by approving the User's account on the basis of a unique identifier specified in the payment order. The Bank is not obliged to review the accuracy of other data specified with the unique identification code.

If the date of the authorization of the account by the transaction amount to the account of the payee's bank is not a working day of the payee's bank, it will be considered that the payee's bank received the money funds for the payee on the first following working day.

When the User deposits cash in the account, the Bank will make the funds available to the User on the date of receiving cash.

The User can dispose of the funds in the Account up to the amount of available funds. The Bank can also dispose of the funds in the User's transaction account, without the consent of the User on the basis of orders received from the Financial Agency in accordance with the Enforcement Act on financial assets and all its future amendments and other competent authorities in accordance with applicable regulations.

The collection under the bills of exchange will be made in accordance with applicable regulations.

By signing the Agreement, the User will explicitly and irrevocably authorize the Bank to debit all the accounts of the User opened with the Bank by the due amount, without any further consent or the approval for all due obligations from any contractual relationship with the Bank.

The Bank may approve to the User the use of the funds for the payments over the amount of available balance in the Account by approving the framework loan in the account of which the Bank and the User will conclude a separate agreement governing terms, conditions and the amount of the framework loan.

The User can deposit funds in the Account on the basis of a separate agreement concluded with the Bank. If the funds are deposited for the purpose of ensuring the Bank's claims under the contractual relationship, the User can not dispose of the term deposits before entirely settling the insured claim, unless otherwise agreed in the term deposit agreement.

The Bank insures deposits of the creditors with a competent institution in the Republic of Croatia in accordance with the special law and regulations on the basis of the same law. The written information on deposit insurance are available in the business premises of the Bank intended for the operations with Customers and on the website of the Croatian Deposit Insurance Agency (www.haod.hr).

4. CARRYING OUT PAYMENT TRANSACTIONS

4.1. Payment order

Payment orders must be completed in accordance with the regulations, payment system standards, instructions and methods of completing payment orders and in accordance with these Terms and Conditions, with obligatory elements for a particular type of order. The User is obliged to submit orders in the form and as determined by the Bank.

The payment order must contain at least the following:

- Name of the payer
- Payer's address (street, city, state)
- IBAN of the payee
- Payee's name
- Payee's address (street, city, state)
- Currency
- Amount
- Date

The order for disbursement must contain at least the following:

- IBAN of the payer
- Name of the payer

- Payer's address (street, city, state)
- Payee's name
- Payee's address (street, city, state)
- Currency
- Amount
- Date
- Verification by the User

The order for transfer (payment) must contain at least the following:

- Name of the payer
- IBAN of the payer
- Payer's address (street, city, state)
- Name of the payee
- IBAN of the payee
- Payee's address (street, city, state)
- Currency
- Amount
- Payment description
- Date
- Verification by the User

The Bank will allow the User to also fill in all other elements of the payment order that are not listed as obligatory elements.

For the payment, disbursement and transfer payment orders, the Bank may also, in certain cases, request other elements of the payment order from the User such as: address, payment description and similar.

For international payments, it is obligatory to specify the BIC (SWIFT address) of the payee's bank in the payment order as well as for cross-border and national payments that are not in the national currency.

The cost option SHA (divided costs) applies to all national and cross border payment transactions in all currencies. For international payments, the information on who bears the costs of the foreign bank should be specified: payer (OUR), Payee (BEN) or divided expenses (SHA). If so required by special regulations, the account must also contain other information. The content of the payment order must be unambiguous and legible.

The IBAN of the payer and the payee is obligatory for national and cross-border payments.

The Bank is not liable for any damage that might arise as a result of delays in processing of the payment order if the damage was caused by the requirement to additionally contact the User in order to supplement the submitted payment order or issue the new, correct payment order.

4.2. Authorization of payment transactions

It shall be deemed that the User has given the payment authorization in the following cases:

- for the payment order issued on paper and submitted at the teller of the Bank, if signed by persons authorized to dispose of the funds in the transaction account and verified by the seal, only for the clients that deposited the seal in the Signature Registration form;
- paper orders will be delivered to the Bank by the User's legal representatives, the persons stated in the Signature registration/Special attorney or a Special attorney for a deliverer of the payment order. On the contrary, it will be considered that the User has not approved carrying out of the payment order;
- for the orders submitted by the User through electronic banking - assigned and authorized with the PIN by the person determined by the User and on the basis of the separate agreement or the application form concluded between the Bank and the User;
- the payment transaction the execution of which has been approved as described above will be considered the authorized payment transaction the execution of which has been instructed by the User.

4.3. Carrying out payment transactions

The Bank will carry out the received payment orders in accordance with the deadlines stated in the document 'Time of receipt and execution of the payment orders', provided that there are available funds in the User's account on the date of carrying out the payment order and that there are no legal obstacles to it. The orders received after the specified time of the receipt or on the day that is not determined as a working day will be deemed as received the following working day.

The Bank will carry out the payment transaction in accordance with the Unique Identification Code specified by the User, regardless of other information in relation to the payee or the payer. If the User delivers to the Bank the incorrect Unique Identification Code for the payment order, the Bank will not be responsible for improper carrying out the transaction. The User is responsible for the accuracy and completeness of data in the payment order also in cases when the Bank completed the payment order in accordance with the Client's instructions.

If carrying out of the payment orders includes the currency conversion, regardless of whether the order is initiated by the Client, the Bank or a third party, the Bank will apply the currency conversion rate disclosed in the exchange rates of the Bank valid on the day of the calculation, unless otherwise agreed with the User. The Bank will carry out the payment orders in the currency specified in the order which must be one of the currencies indicated in the applicable exchange rates of the Bank. On the day of the commencement of carrying out the payment orders, the User must insure the coverage in the account in the currency that

is specified in the payment order as the currency coverage. Otherwise, the Bank may refuse to carry out the payment order.

The Bank will carry out the received payment order only within the framework of available balance in the account/s in the currency determined by the User as the coverage currency.

If the coverage currency that will be debited for carrying out the order is not indicated in the payment order, it will be considered that the coverage currency is equal to the currency specified in the payment order.

If the User has not filled in the relevant data in the payment order submitted in the paper form that relates to the national payments in the national currency for which it is not necessary to fill in the model and the reference number of a Payee/Payer, the Bank will fill in the model HR99 in the payment order and this will not be considered as changing the instruction of the User.

The User agrees that the Bank can, without requiring a special approval from the User of the account, make corrections of the bank errors when carrying out all payment transactions that resulted in unfounded approval or debiting the User's account. The implementation of the corrections implies the corrections of the bank errors when carrying out payment transactions that resulted in unfounded approval / debiting the User's account. If any corrections are made, the Bank will notify the User in the shortest time possible and the most appropriate way, including, but not limiting to the telephone contact with the known telephone numbers, the contact by email or a postmail to the mailing address. The User has the right to check whether the correction was made in accordance with the given consent.

The Bank will inform the User on the implemented corrections by sending the statement on a turnover and the balance in the account and, at the User's written request, it shall deliver any additional information regarding the correction of the wrong bookkeeping made by the Bank.

The Bank will also perform all other payments by debiting the User's Account when entitled pursuant to the contractual relationship with the User or when this is its obligation in accordance with legal and other regulations.

In case of the existence of any due unsettled claims of the Bank from any contractual relationships between the Bank and the User, the User agrees that the Bank can collect its due claim from the funds in the User's account.

The Bank will conduct orders on the basis of the enforcement only out of the positive balance in the account. The unused amount of the approved overdraft is not thereby included in the positive balance in the account regardless of the orders of the User assigned to be carried out, in accordance with the Enforcement Act on Financial Assets.

In case of debiting the Account on the basis of the enforcement at the orders of the Financial Agency, the Bank may deny the right of the User to the use of the Framework loan in the account for the entire period of exercising the basis for the enforced payment or cancel the Framework loan and make it due.

The approved Framework loan in the account at the moment of the account blockage at the order by FINA is made to the currently used amount of the framework loan.

For the payment orders in paper having a printed bar code, the Bank is not obliged to check whether the record in the bar code matches other data printed out in the payment order.

When carrying out the payment order, the Bank will use the data on Payer's name, address and OIB from its system and this will not be considered as changing the User's instruction.

4.4. Batch booking

The user may instruct orders for national payment transactions and cross-border payment transactions in the national currency in electronic form by applying the "batch booking" option; debiting the account in the total amount for a particular group of orders. The Bank will conduct only the group of orders for which the User specified debiting of the account in the total amount if all orders within the group are correct and if the coverage for carrying out the whole group of orders is recorded in the User's account. On the contrary, the Bank will refuse to carry out all group of payment orders.

If the User does not mark the "batch booking" option in the payment order given in the electronic form, it will be considered that the User debited the account in individual amounts of the payment order.

4.5. Refusal of the payment order

If all the conditions for carrying out the payment orders are not fulfilled, the Bank will refuse the payment order. The Bank will inform the Client about refusal of the payment order, provide the reasons and steps for the correction of errors that caused the refusal, unless it is forbidden on the basis of other regulations. If the payment is refused, it will be deemed that the payment order has not even been received.

The Bank will charge the User a fee for the refusal of carrying out the payment order in accordance with Decision on fees for business entities and residential buildings.

At the Bank's written request and within a reasonable time specified by the Bank which may not exceed 30 days, the User is obliged to provide the Bank with all data and documentation requested by the Bank to verify whether carrying out the payment orders is contrary to the regulations of anti-money laundering and terrorist financing, international restrictive measures and / or other coercive regulations or sanctions imposed by the EU, UN and OFAC.

The Bank may exceptionally, for justified reasons, at its own discretion and if the circumstances of a particular case require so, extend the said period, of which it shall immediately notify the User in writing

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without delay and no later than until the expiry of the initial determined deadline for the submission of requested data and documentation.

The Bank is authorized to suspend carrying out of the payment order until the User submits all requested data and required documentation. If the User does not submit the data within a predetermined deadline, the Bank is authorized to reject carrying out of the order and is not responsible for the late order execution because of this.

4.6. Return of already completed payment order

If the Payee's payment service provider could not approve the Payee's account for a reasonable cause and make the refund of the already settled payment order that relate to the national payment transactions and cross-border payment transactions in the national currency, the Bank shall, immediately after the receipt, approve the User's account for the refund amount and inform the User of this.

4.7. Revocation of the payment order

The User may revoke/cancel the payment order no later than by the end of the working day that precedes the agreed date for carrying out the payment. The Bank shall collect the fee for the revocation/cancellation of the order as regulated by the Bank's act - Decision on fees for business entities and residential buildings, available on the Bank's official website www.kentbank.hr and in the branches/business center of the Bank.

After the expiry of this deadline, the Bank will still try to accept the request for the revocation of the payment order if technically feasible, until the moment of forwarding orders to the interbank payment systems.

The request for the revocation of the payment order must be delivered to the Bank in writing, signed by an authorized signatory.

In case of a double, false or fraudulent initiation of the payment order, the User may exceptionally, with the national payment transactions and cross-border payment transactions, submit to the Bank the request for the revocation of already completed order within 10 working days at the latest from the date of carrying out the order. In case of accepting the revocation by the Payee's payment service provider, the Bank shall approve the User's account by the refunded amount. For the cross-border payment transactions, the returned amount may be reduced by the fee of the Payee's payment service provider for the revocation of the payment order.

If the request for the revocation is rejected by the Payee's payment service provider, the Bank shall inform the User of this and provide the explanation for refusal of the revocation.

The Bank shall charge the User a fee for the revocation of the payment order in accordance with Decision on fees for business entities and residential buildings.

The User authorizes the Bank that it may debit the User's account by the amount of the approved payment order providing the reasons for debiting the account on the basis of the request for the revocation received from the Payer's payment service provider, with the authorization for debiting the account.

4.8. Instructions for the payment order given electronically

The issuance of the payment orders by electronic means is possible only with the conclusion of the special contract that regulate mutual rights and obligations under the Terms and Conditions for the use of electronic banking services.

4.9. Payment initiation services, information on the account and the confirmation about the disposal of funds

The user of the account may use the payment initiation service provided by the PISP, the account information service provided by the AISP and provide the Bank with an explicit consent for issuing the confirmation to CBPII on the availability of the funds in the Account.

If the Bank determines an attempt of unauthorized access to the accounts or an access with the aim of fraud by the AISP, PISP and / or CBPII, the Bank may prevent the access to such payment service provider, of which it will inform the User of the Account as contracted before preventing the access or immediately after, as soon as objectively possible.

The payment initiation service through PISP, the Information Service through AISP and the service on inquiries on availability of the funds through the CBPII are regulated by the Terms and Conditions for the Use of Internet Services for Business Entities.

5. DESCRIPTION OF THE SERVICE - SEPA DIRECT DEBITING

5.1. Authorization

The Payer and the Payee may agree that the Payer fulfils the obligations to the Payee through the SEPA direct debit payment service.

SEPA direct debit is a national or cross border payment service for debiting the Payer's transaction account when the payment transaction is assigned by the Payee on the basis of the authorization given by the Payer to the Payee.

The authorization is the Payer's authorization to the Payee for assigning the SEPA direct debit payments at the expense of the Payer's transaction account (the account of the type 11,13,14 and15) and, at the same time, it is considered as the authorization given to the Bank for debiting the Payer's transaction account.

The Payee determines the unique authorization identifier for every authorization, which will unambiguously determine it.

The Payer gives the authorization for debiting the transaction account to the Payee. The Payer may sign the new authorization only at the Payee.

The Payer is obliged to notify the Bank immediately after the signed authorization or any other change or cancellation/revocation of the authorization no later than the date of the application of the authorization or change or cancellation/revocation, and obligatory prior to the date of carrying out the next SDD order, in order to carry out necessary verifications by delivering to the Bank a copy of the authorization/change/cancellation/revocation of the authorization and related instructions, if any.

The Payer is obliged to submit to the Bank the copy of the authorization and any related instructions from the SDD order prior to the first debiting of the Payer's transaction account.

The Payer will submit the copy of the authorization or change or cancellation/revocation under the authorization to the Bank by handing it in person to the Bank's branch, delivering by post mail or scanned by email. The copy of the authorization or change or cancellation/revocation will be delivered to the Bank by a legal representative, persons listed in the Signatory card or a contact person listed in the Customers' Questionnaire - Business Entities.

The Bank will archive the received copies of the authorizations and any related instructions in accordance with internal procedures/instructions of the Bank.

The Payer may change or withdraw the authorization only with the Payee. The Payee will keep the signed authorizations and is responsible for their maintenance.

The Payer must notify the Bank of any change of the authorization as well as of the cancellation/revocation of the authorization.

The Bank will not be held responsible for any damage that may arise to the Payer if the payment was made because the Bank was not informed of a change, cancellation or a revocation of the authorization.

The Payer is obliged to inform the Payee in case of changes in the data specified in the authorization.

The Payee is obliged to notify the Payer who signed the authorization of any changes in the data stated in the authorization (eg. name of the payee, address...)

The Payee is obliged to cancel the authorization if 36 months have passed from initiating the last SEPA direct debiting under this authorization.

5.2. Carrying out SEPA debit order (SDD order)

Participants in carrying out the SDD order are the Payer non-consumer - holder of the transaction account of the type 11,13,14 and 15 at the expense of which the SDD order is carried out, the Payee - a business entity, the Payer's bank and the Payee's bank.

When carrying out the SDD order, the Payer's bank will check the following:

- Prior to debiting the Payer's transaction account, it will be verified whether the data on the authorization received as a part of the SDD order correspond to the data received and verified by the Payer and whether the authorization is duly issued and confirmed by the Payer,
- Every SDD order will be checked with the data from the archived authorization as well as with related instructions for the verifications if the Payer has received any,

If these two sets of data are not complied, the Payer's bank shall proceed in accordance with the instructions received by the Payer.

The Payer's bank will carry out the SDD order on the execution date if the Payer insures required cash funds in the transaction account and if the authorization signed by the Payer and the data on the authorization sent by the Payee as the part of the SDD order match within the following attributes:

- Identification tag of the scheme
- Identifier of the authorization
- Identifier of the Payee
- IBAN of the Payer that will be debited
- Type of payment (if the repeating SDD orders are submitted for a one-time authorization, other SDD orders submitted after the first SDD order are not covered by the authorization.

The authorization must not be canceled by the Payee or revoked by the Payer at the moment of debiting the transaction account.

The Payer is obliged to insure the required available cash funds for the SDD order in the amount of the order and the fee for the order transaction by 12:00 for the national SDD orders and by 6:00 for the cross border SDD orders on the date of the execution of the payment order. The Payer's bank does not carry out the SDD order in a partial amount. The Bank is not responsible for the failure to carry out orders if there are no sufficient funds in the Payer's account for the execution of the entire payment transaction.

If the Payer has not provided necessary available cash funds in the national currency to carry out the order, the Bank shall carry out the order by debiting other currencies in the Payer's multi currency transaction account by applying the buying rate of the Bank for foreign currencies when conducting the conversion.

The Bank debits the Payer's transaction account by SDD orders on the date of the currency at 12:00 for national SDD orders and at 6:00 for cross border SDD orders.

The Payer's Bank will not carry out the SDD order if the Payer does not insure the required cash funds, if the payer is too late with insuring the funds, if the Payer's account is blocked or closed and if carrying out of the order at the expense of the Payer's account is banned or limited by some of the modalities of special conditions for the payment. In case of failure to carry out the SDD order, the Payer must himself settle the obligation to the Payee.

The date of the SDD order can only be the interbank business day.

A business day for the execution of SEPA direct debit is every day except Saturday, Sunday, Good Friday, Easter Monday, Christmas and 1 January, 1 May and 26 December.

The Payer's bank will charge the SDD order service in accordance with Decision on fees in the operations with business entities.

5.3. Refusal of a SDD order at the Payer's request

The refusal of the SDD order at the Payer's request is the procedure initiated by the Payer one working day prior to the execution date, requesting from the Bank not to carry out the SDD order. The Payer may, one calendar day prior to the date of the payment at the latest, submit the request for the refusal of the SDD order personally in a branch of the Bank or scanned, by email, by completing the bank's form **Direct debiting refusal request** or by sending the request for the refusal by means of electronic banking e-Kent.

The Payer has no obligation to state the reasons for the refusal.

The request for the refusal of the SDD order can be submitted for the order which was already sent by the Payee to the Payer's bank and the Payer's bank has information about the order or for the order that the Payee has not yet sent to the Payer's bank and the Payer's bank has no information about the order.

If the Payer wants to refuse the SDD order which the Payee has not yet sent to the Payer's bank (the Payer's bank does not have information about the order), then the Payer must provide the Bank with the following elements of the payment order:

- identifier of a Payee,
- identifier of the authorization,
- the amount and currency of the order,
- the exact date of implementing the order.

The Bank shall refuse the SDD order that contains the elements identical to those entered by the Payer in the refusal request.

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The refusal of the SDD order does not mean the revocation of the authorization with the Payee.

5.4. Refund in accordance with the carried out SDD order

The Payer is not entitled to the refund of the funds for the authorized payment transactions of SEPA direct debiting.

The right to the refund as regulated in Article 48 and 49 of the Payment System Act is not applicable.

5.5. Obtaining the copy of the authorization

The Payer may request from the Payer's Bank the copy of the authorization given to the Payee.

After receiving the authorization completed in the regulated form **Request for the issuance of the authorization copy**, the Bank will forward the request to the Payee's bank for obtaining the copy of the authorization and related changes from the Payee.

The Payer submits the Request for the issuance of the authorization copy personally in a branch of the Bank or scanned by email.

The process of obtaining the authorization copy may last up to 30 calendar days. The Payer's bank will contact the Payer after receiving the authorization copy from the Payee or the Payee's bank. The Payer's bank will charge the service of obtaining the authorization copy in accordance with Decision on fees for business entities and residential buildings.

5.6. Notifications

The Bank shall inform the Payer of any SDD order transaction by the transaction account statement.

5.7. Special conditions of the transaction

The Payer may define special conditions in a branch of the bank for every SDD order by completing the form **Special conditions for the execution of the SDD order**. The form must be signed by the Payer's legal representative.

The Payer shall deliver special conditions for the execution (limiting criteria) no later than 1 business working day prior to the date of carrying out the SDD order.

Special conditions for the SDD order execution are defined separately for every transaction account and include 4 modalities:

1. General ban on all SEPA direct debits

2. White List
3. Black List
4. Limit according to the amount and/or dynamics of the execution

General ban of the execution of all SEPA direct debits

The Payer can make the transaction account inaccessible for the SEPA direct debiting payment service by activating a general ban on all SEPA direct debiting transactions. The Bank will refuse or will not carry out every SEPA direct debits if there is the active general ban in the account. The general ban on the execution is valid until the client revokes it. The general ban on the execution of all SEPA direct debits can not be combined with other modalities of special conditions for the execution. If there are other active modalities of special conditions in the Payer's transaction account and the Payer wants to activate the general ban, then the Payer must previously revoke all other active modalities of the special payment conditions.

White list

The Payer can define the white list for each transaction account by adding one or more Payees to it. When defining the white list, the Payer can also define the unique authorization identifier for each Payee. Placing a particular Payee in the white list means that the Payer allows SEPA direct debiting only by the Payee listed in the white list. If the Payer, along with the payee in the white list, additionally specifies the authorization identifier, the bank will carry out only SEPA direct debiting defined by the authorization identifier. The Bank will refuse or will not carry out every SEPA direct debiting initiated by the Payee who is not in the white list. The white list is valid as long as the client revokes it and can be combined with the limitation to the amount and/or dynamics of the execution. The white list can not be combined with the black list and the general ban on the execution of all SEPA direct debits. If the black list or the general ban is already active in the Payer's transaction account and the Payer wants to define the white list, then the Payer must previously revoke the specified active modalities of the special payment conditions.

Black list

The Payer may define the black list for every transaction account by adding one or more Payees to it. Placing a certain Payee in the blacklist means that the Payer does not allow the SEPA direct debiting by only the Payee listed in the black list. The Bank will carry out every SEPA direct debiting initiated by the Payee not listed in the black list. The blacklist is valid until the client revokes it and can not be combined with the limit to the amount and/or payment dynamic. The black list can not be combined with the white list and the general ban on the execution of all basic SEPA direct debits. If there is the white list or the general ban on the execution already active in the Payer's transaction account and the Payer wants to define the blacklist, then the Payer must previously revoke the mentioned active modalities of the special payment conditions for the execution.

The limit according to the amount and/or dynamics of the execution

The Payer can limit the SEPA direct debiting of every Payee according to the amount and/or dynamics of the execution. The limit to the amount and/or dynamics of the execution can also be defined for every Payee according to the authorization identifier.

The limit to the amount means that the payer allows the SEPA direct debiting of a certain Payee only to the amount defined in the limit. The Bank shall not carry out SEPA direct debiting of a certain Payee if the amount of the order is higher than the amount defined in the limit.

The limit to the dynamics of the execution means that the Payer allows SEPA direct debiting of a certain Payee only once in the selected period. The dynamics of the execution or the selected period may be weekly, monthly, quarterly, semi-annually or annually. Each period is defined in calendar terms. The Bank will not carry out SEPA direct debiting of a particular payee if one SDD order has already been carried out in the selected period.

The limit to the amount and the limit according to the dynamics of the execution may be defined separately for every Payee or separately for every authorization identifier.

The limit to the amount and/or dynamics of the execution is valid until the client revokes it and it can be combined with the white list. The limit to the amount and/or dynamics of the execution can not be combined with the black list and the ban to all SEPA direct debits. If there is the ban already in the payer's transaction account and the payer wants to define the limit to the amount and/or the dynamics of the execution, then the payer must previously cancel the specified active modality of the special payment conditions.

The entry and changes of the special conditions of the transaction instructed by the Payer in a branch of the Bank shall be valid from the next calendar day. The Bank will charge the entry and change of the special conditions of the execution in accordance with the Decision on fees for business entities and residential buildings.

6. COMPLAINTS AND RESPONSIBILITY OF THE BANK

6.1. Complaints

The User is obliged to inform the Bank of unauthorized, irregularly initiated, not carried out and/or improper or a delayed payment transaction immediately after obtaining the information of such transaction and no later than 30 days from the date when the Bank made available to the user the Statement on changes and balance in the account which shows that such transaction was carried out or should have been carried out. On the contrary, the user will not have the right to complaints or the rights under these Terms and Conditions.

The User will submit in writing all complaints related to the execution of the payment transactions to the competent organizational unit of the Bank with specifying the payment reference, original amount and the date of the currency of the payment or the collection.

If the User considers that his or her right is violated in the business relationship with the Bank, the User can send the complaint in writing to the address of the headquarters of the Bank with the indication that it is a complaint, immediately and no later than 30 days after the disputed event. The User must include a detailed description in the complaint and enclose all the evidence that the User refers to. The Bank will submit the response in writing within the legally stipulated deadline. The User is also entitled to file the complaint against the Bank to the CNB if he or she considers that the Bank acted contrary to the legal provisions.

The complaints that relate to services provided by AISP, PISP and/or CBPII arising out of the contractual relationship between the account users and the payment service providers, including, but not limiting to the approvals given by the User to the payment service providers, are sent by the User solely to them, under the terms and conditions and in the way that they had agreed upon. If the complaints relate to the authorization and carrying out payment transactions initiated by the PISP, they will be referred to the Bank in the same way as when the complaints relate to the payment transactions initiated through the Bank's channels.

If it is a matter of resolving the requests or complaints of the Client/Respondent to processing personal data and exercising the rights of the clients related to the processing of personal data, the complaint procedure and the deadlines under the General Data Protection Regulation and the Personal Data Protection under these Terms and Conditions shall apply.

6.2. Responsibility of the Bank

If the responsibility for the failure of the Bank to carry out or incorrectly carry out the payment transaction and/or a delayed payment transaction execution, the Bank is obliged to return the amount of unexecuted and/or incorrectly executed payment transaction, all fees charged in connection with unexecuted and/or incorrectly executed payment transaction and the corresponding interest rates.

The Bank is not obliged to refund the amount of unexecuted or incorrectly executed payment transaction if this is the result of exceptional and unforeseen circumstances which the Bank can not influence in spite of all efforts.

The Bank is not obliged to refund the payment transaction if the User or Authorized person accidentally or negligently fail to fulfill their obligations relating to the payment instrument or if the carried-out payment transaction is the result of the use of a lost or a stolen payment instrument or the payment instrument that was misused if the User or the authorized person did not protect the security features of the payment instrument.

The Bank is not obliged to return the amount of the incorrectly carried out transaction if the User did not inform the Bank of this immediately and no later than 30 days from the date of carrying out the payment transaction.

If the unauthorized payment transaction is made, the Bank is obliged to return to the User the amount of the unauthorized payment transaction, all collected fees in relation to the unauthorized payment transaction and related interest rates, by the end of the first working day at the latest after the receipt of the unauthorized payment transaction from the User or being informed about the unauthorized payment transaction.

If the Bank subsequently through the complaint procedure determines that the User has acted fraudulently and the claim was unfounded, the Bank shall fulfil the claim from the User by direct debiting the User's transaction account.

The User is entirely responsible for carrying out the unauthorized payment transaction if they are the result of a fraudulent behavior of the User or the User's deliberate failure to fulfill one or more obligations regarding the payment instruments and personalized security credentials or the failure to fulfill the obligations due to the User's extreme negligence.

The Bank is not responsible for irregular payment operations, failure or untimely carrying out the orders if disturbances appear during the payment transactions activities such as force majeure, interruption of power supply, interruption of telecommunication lines and cessation of functioning or irregular functioning of the system for the calculation of interbank transactions and other similar causes, the occurrence of which cannot be attributed to the Bank. Disturbances also imply the termination of functioning or irregular functioning of EURO NKS, TARGET 2, FINA and SWIFT.

6.3. Responsibility of the User

If unauthorized payment transactions are the result of the use of the lost or stolen payment instrument or the consequence of another misuse of the payment instrument, the User is entirely responsible for these transactions. In this case, the User will not be held responsible

- if the User could not have detected loss, theft or misuse of the payment instrument prior to carrying out the payment transaction
- if the unauthorized payment transactions are the result of the activity or omission of an employee of the Bank or other entity with the outsourced activities
- If the Bank has not provided adequate funds for daily notification of loss, theft or misuse of the payment instrument
- If the Bank does not request or apply a trusted authentication of the User

7. INTEREST RATES, FEES AND EXCHANGE RATES

7.1. Interest rates

The Bank calculates and pays out the interest rate to the funds in the User's Account as determined by the applicable Decision on interest rates for business entities and residential buildings or pursuant to the separate agreement with the User.

If the Bank grants the framework loan to the User, the permitted overdraft in the account, the amount of the interest rates and fees as well as the method of the calculation and the collection of interest rates and fees for such loan will be regulated by a separate loan agreement concluded between the Bank and the User.

Non-residents, legal entities with head offices abroad will pay the withholding tax on interest rates earned in the Republic of Croatia at the stipulated rate or the rate specified in the double taxation treaty, if the double taxation treaty (the agreement to avoid double taxation) has been contracted and applied between the Republic of Croatia and the country where the legal person is a resident.

For the purpose of applying the double taxation treaty, non-resident legal entities with head offices abroad are obliged to prove their residency to the Bank, as determined by the Croatian tax regulations.

The Bank has the right to change the interest rate level on the funds in the transaction accounts.

7.2. Fees

The User is obliged to pay the fee to the Bank for the services of opening and maintenance of the Account, performing payment services and other services in the Account for which the Bank calculates and charges fees and expenses in accordance with applicable Decision on fees for business entities and residential buildings or a separate agreement concluded with the User.

For national payment transactions in the national currency of the Republic of Croatia, the calculated fee is due once a month of which the Bank informs the User through the account.

For national transactions in other currencies, cross-border and international transactions, the fee is calculated and due immediately after carrying out each transaction, of which the Bank will inform the User by sending the Statement on the balance and changes in the account (hereinafter: the Statement).

The User explicitly authorizes the Bank to collect the fee immediately upon maturity from the funds in the User's Account. If there are no sufficient funds in the User's Account for the collection of the fee on the date of debiting the Account in the currency in which it is calculated, the Bank is authorized to collect the fee from the funds in other currencies available in the Account. If the User has several accounts opened with the Bank, the User has the right to choose which of the accounts will be the primary account from which the Bank will collect/withhold the fees. If the User does not have sufficient funds in the selected account at the time of the payment of the fee, the User explicitly authorizes the Bank to collect the fee from any other account open with the Bank. In this case, the User has no right to complain for the fee being charged from the account that was not selected as the primary account.

The Bank will calculate and collect the fees denominated in foreign currencies by applying the middle exchange rates for the relevant currency from the applicable exchange rates of the Bank valid on the day of the calculation.

The Bank keeps the right to collect the fee from the User for the actual costs of foreign and domestic banks in case of incomplete or deficient data in a given payment order (NON-STP cost), the actual costs of intermediary banks and the costs of a foreign bank if the cost option - at the expense of the issuer (OUR) - is selected as a cost option in the payment order.

7.3. Exchange rates

In case of buying and selling currencies, the buying and selling rates in a daily exchange rates for foreign currencies of the Bank valid at the moment of buying and selling shall apply, unless the parties agreed otherwise.

8. NOTIFYING ON THE BALANCE AND CHANGES IN THE ACCOUNT

The Bank shall inform the User of changes (information on executed payment transactions and payments in the account) and the balance in the transaction account by sending the Statement.

It will be considered that the User agrees with the data in the Statement if he or she does not file a complaint within 30 days from submitting the Statement to the User at the disposal or from the date of delivery, if it is sent by post mail.

If the User uses additional services for receiving the Statement or information on the balance and changes to the account such as post mail, e-mail and similar, the User will accept the exclusion of the liability of the Bank for the information which could possibly be received by third parties, over which the Bank has no influence.

The Bank shall notify the User about the calculated and paid out interest rate in the transaction account by sending the Statement.

The Bank shall inform the User about the fees calculated and collected on a monthly basis and the fees for payment transactions where the fee is calculated by the Bank in advance by the Statement on the balance and changes in the account.

9. OTHER SERVICES

The Bank allows additional services to the User related to the Account contracted separately by the Bank and the User and may issue special general terms and conditions in connection thereof, the provisions of which supplement contractual benefits and apply together with the provisions of these Terms and Conditions.

The Bank may prevent any further use of additional services in the event of irregular transactions in the Account or if there exist unsettled claims of the Bank on fees for payment services. If the User, after the payment of liabilities to the Bank, wants to continue to use the additional services, he or she is obliged to inform the Bank of this in writing.

10. AMENDMENTS, TERMINATION OF THE FRAMEWORK AGREEMENT AND CLOSING THE ACCOUNT

10.1. Amendments to the framework agreement

The User and the Bank agree that the Bank keeps the right to amend all the documents that are an integral part of the framework agreement of which it will inform the User at least 15 days prior to their application. It shall be considered that the Bank informed the User in accordance with the previous sentence if the Bank makes the amended Terms and Conditions and other documents that are an integral part of the framework agreement available to the Users in the branches of the Bank and disclose them on its website www.kentbank.hr with the indication of the effective date. The Bank is allowed to apply the amendments that are more favourable to the User without previously informing the User.

If the User does not notify the Bank in writing that he or she does not accept the amendments by the date of the application of the amended framework agreement, it shall be deemed that the User accepted the disclosed amendments. If the User informs the Bank in writing that he or she does not accept changes to the framework agreement, it shall be deemed that the User does not want to continue the business cooperation with the Bank and that the User has canceled the Framework Agreement and all individual agreements that make the framework agreement with the notice period of 15 (fifteen) days and is obliged to settle all due obligations to the Bank and return the payment instruments related to the transactions in the Account, if they were given to the User under a separate agreement.

10.2. Termination of the framework agreement and closing the account

The Framework Agreement and individual agreements for additional payment services will be concluded for an indefinite time period. If a particular agreement is concluded for a definite time period, it shall cease to be valid at the expiration of this period and, in any other case, it shall cease to apply upon its cancellation.

The Framework Agreement will also expire upon the termination of the existence of the User which means the termination of the economic activity or free profession by the User, a natural person, who independently performs the economic activity or is self-employed, or upon a death of that natural person.

10.2.1. Termination and cancellation of the framework agreement by the Bank

The Bank may close the account and cancel the Framework Agreement by a one-side Cancellation Statement that will be sent to the User by the registered post mail to the valid address entered in the court register, without the cancellation period;

- if there were no transactions in the Account for at least 12 months
- if there are irregular transactions in the Account or if there exist unsettled claims of the Bank on fees for performing payment services and in case of a failure to comply with these Terms and Conditions by the User and/or any provision of the Framework Agreement. In this case, the Bank can make all its claims under the Agreement due at an earlier date and collected at the expense of the User's account or other Users' accounts with the Bank.
- if the Client fails to submit the requested information and documentation at the request of the Bank required to determine the actual owners of the Client in accordance with Anti Money Laundering and Terrorist Financing Act
- if the Bank determines or suspects any violation of the provisions of Anti Money Laundering and Terrorist Financing Act and its implementing regulations
- if the Client fails to submit the documentation for determining the status of the tax residence, statements, consents and other forms required for the implementation of the CRS and FATCA regulations
- if the account is closed on the basis of the decision by the court, the competent body, law or other regulations, if this stems out from the mentioned decision, law or other regulation
- if the Bank determines or reasonably suspects the possibility of fraud or a misuse of powers in the disposal of the funds in the Account or the possibility of an unauthorized disposal of the funds in the Account by the User, Authorized person or a third party, or if there is doubt in terms of authorizations for representing the User or disposal of the funds in the Account, or if deemed that closing of the account is necessary for the protection of rights, reputation or interests of the User and/or the Bank and/or third parties.

The Framework Agreement shall be considered terminated on the day of receiving the Statement on the cancellation of the Framework Agreement by the User. If the delivery is unsuccessful, it shall be the day of submitting the Statement on the cancellation of the Framework Agreement to the authorized provider of postal services.

In these cases, apart from the Framework Agreement and the Term Deposit Agreement, the Bank may also terminate in the same way all other agreements concluded with that Client and/or the Client's connected persons and terminate the cooperation in its entirety.

The Bank may cancel the Framework Agreement at any time without specifying reasons and close the Account after the expiry of 30 (thirty) days of the cancellation period. The cancellation period starts on the day when the User receives the Statement on the cancellation. If the delivery is unsuccessful, it shall be the day of submitting the Statement on the cancellation of the Framework Agreement to the authorized provider of postal services.

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In case of the termination or the cancellation by the Bank, the Account shall be closed without a written and verified request by the User.

10.2.2. Closing the account at the User's request

The Bank shall close the Account to the User at his or her written request, ex officio (on the basis of the final decision on deleting the business entity from the court, craft, or other appropriate register, due to opening or closing of the bankruptcy proceedings, in accordance with the Rulebook on the Unified Account Register and other), by an unilateral termination or upon the expiry of the notice period in case of the cancellation of the Agreement on opening the account, on the basis of the court decision, competent authority, law or other regulations.

When submitting the written request for closing the Account by the User, the Bank shall immediately, after receiving the request, close the User's account, provided that all obligations under the account have been fulfilled. If the User unilaterally cancels the Framework agreement, the cancellation period is 15 (fifteen) days from the day of receiving the Statement on the cancellation.

The Bank must not close the account of the User marked as blocked in the Unique Account Register who has not got any other account open with some other bank in Croatia.

The Bank shall close the account of the user whose activity was terminated after deleting from the appropriate registry, regardless of the blockage mark in the Unique Account Register.

The Request for opening the Account must be verified by the Authorized person.

10.2.3. Fee for closing and transfer of surplus funds

In case of the cancellation and/or termination of the Agreement by either the Bank or the User, the Bank is authorized to charge the fee for closing the Account and the fee for the use of a particular service pursuant to Decision on fees for business entities and residential buildings. Prior to closing the Account, the User is obliged to pay to the Bank all calculated fees and costs, unless otherwise provided in special cases.

When closing the Account, the Bank shall, upon the collection of all due obligations of the User, make a transfer of surplus funds for all currencies for the purpose of bringing the Account to zero. When closing the Account, the Bank may convert the remaining funds in the foreign currency to the national currency of the Republic of Croatia at the buying exchange rate for foreign currency in accordance with the exchange rates of the Bank applicable on the date of the conversion.

The Bank shall not accept the request for closing the User's Account if the User has due, unsettled obligations to the Bank or if the Bank, at the order by Fina pledged the assets for the enforcement in the User's account for the purpose of the collection by other User's creditors or if the User is obliged to return the assets that are owned by the Bank. All services contracted in relation to the Account shall cease to apply by closing the Account or the termination of the Agreement.

If there are money funds remaining in the Account when closing the Account and the Bank can not determine with certainty who the person authorized to sign the transfer order of funds to another User's account is, the Bank shall transfer the funds and keep them in the transitional account until determining, in accordance with its estimate, with certainty and unambiguously, who the person authorized to sign the order for the transfer of the User's funds is (eg. by a final legally binding court decision or in other reliable way). At this moment, the Bank will transfer the funds to the account with other Bank at the instruction by the authorized person for representing (the person authorized to sign orders for the transfer of funds).

11. PROTECTION OF PERSONAL DATA

The Bank, as a Processing Controller of personal data, collects and processes the personal data of its clients 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 in the Regulation (EU) 2016/679 of the European Parliament and the Council on the protection of individuals with regard to the processing of personal data and free movement of such data as well as putting the Directive 95/46/EC (hereinafter: General regulation) out of force.

When collecting and processing the personal data of the clients, the Bank provides information to them from the General regulation, depending on whether the data was obtained from the respondent or a third party.

The data which the Bank may collect and process may 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 (numbers of transaction and deposit accounts, numbers of loans, credit and debit cards, secret codes (PINs, PANs, etc.)
- Financial transactions (announced and carried out 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 Terms and Conditions, the Bank will inform the Client about their collection and processing at the time of the collection by the "Privacy Statement" document adjusted to the collection and processing of personal data for various purposes that are listed in the statements.

The clients can find privacy statements on the Bank's website www.kentbank.hr and in a branch of the Bank.

The Bank may also provide the clients 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 collects and processes the personal data from the clients required to fulfill the purpose for which they are collected. 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 agreements in which the respondent is a party, if the processing is necessary to undertake an action at the client'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, copy, record and inspect the personal data for the purpose of regular business operations of the Bank and members of the Group that the Bank belongs to in a third country.

The Bank may forward personal information to third parties;

- processors and joint controllers registered to perform the activity of fulfilling the processing purpose who meet the adequate level of protection of personal data
- authorized bodies and employees of the Bank and a member of the Group that the Bank belongs to in a third country for the purpose of performing regular operations of the Bank, in accordance with the law and / or internal rulebooks and procedures of the Bank.

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

The Bank will process the personal data of the clients only for completing the purpose for which they were collected, such as:

- the assessment of the risk of money laundering and terrorist financing,
- delivery of data to competent institutions, processors 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 that must be submitted by the Bank 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 the business relationship.

If processing of the personal data is based on the consent as the legal basis of processing, the client may withdraw it 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 will keep the clients' personal data as long as permitted by the relevant legal regulation that relates to particular processing of personal data or as long as allowed by the respondent in the consent.

During the term of the contractual relationship, the client is entitled to:

- 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 data transferability to the respondent and/or other processing controller,
- the right to make complaint about personal data processing including the complaint to making solely automated decisions as well as the complaint to data processing for the purposes of direct marketing.

The client can realize the above-mentioned rights any time in the Bank's form or in a free form and submit it to the Bank in one of the following ways:

- by postmail to the address KentBank d.d. Gundulićeva ulica 1, 10 000 Zagreb
- by e-mail to the address szop@kentbank.hr
- by fax at number +385 75 802 604
- personally, in a branch/business center of the Bank

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

12. PROTECTIVE AND CORRECTIVE MEASURES

The User will use a particular payment instrument in accordance with the provisions of these Terms and Conditions and other documents of the Bank that regulate the issuance and the use of a specific payment instrument.

The User is obliged to immediately notify the Bank of determined loss, theft or misuse of the payment instrument or its unauthorized use, apply for a blockage of the payment instrument, cancellation or limitation of the service or authorities granted to the authorized persons of the User, revocation of persons authorized to dispose of the funds in the account, revocation of seals and the like. Reporting of a loss or theft or unauthorized use or misuse of the payment instrument will be made in writing to the organizational part of the Bank in which the User has opened a transaction account.

The User is responsible and bears damage for unauthorized payment transactions carried out by the payment instruments that are the consequence of loss or theft or an unauthorized use or misuse of the payment instrument by the time of reporting the loss or theft or unauthorized use of the payment instrument to the Bank.

The Bank is authorized to block the payment instrument for the reason of

- security of the payment instrument
- suspected unauthorized use or the use of the payment instrument with fraudulent intent

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- if the Bank provides the service of providing the payment instrument with a credit line that relate to significant increase in the risk that the Payer/User will not be able to fulfill its payment obligations.

If possible, the Bank shall inform the User of the intention of blocking the payment instrument before it is blocked by phone and/or in writing or in other appropriate way.

If the Bank can not previously inform the User of the intention of blocking the account, the Bank will do so after blocking the payment instrument by phone and/or in writing or in any other appropriate way.

The Bank is not obliged to inform the User about blocking of the payment instrument if this is contrary to the objectively justified security reasons or contrary to the law.

13. FINAL PROVISIONS

The Terms and Conditions are available to the User in a written form on the Bank's website www.kentbank.hr as well as in every branch of the Bank. Any amendments will be disclosed and available 15 days prior to their application.

By signing the Agreement on opening and managing a transaction account and performing payment and other services, the User acknowledges that, prior to entering into the Agreement, he or she has read the Terms and Conditions and accepts their intended use.

All that is not regulated in these Terms and Conditions shall be governed by other relevant internal documents of the Bank in the operations with business entities.

These Terms and Conditions shall apply to the rights and obligations of the Bank and the User in all transaction accounts that the User opened with the Bank on the basis of the agreements concluded until the day of the application of these Terms and Conditions. If any of the provisions of the Agreement on opening and maintenance of the business account and performing payment and other services differ from the provisions of these Terms and Conditions, the provisions of these Terms and Conditions shall apply.

In case of the collision between the provisions of these Terms and Conditions and applicable legal and sublegal regulations, the provisions of legal and sublegal regulations shall apply until compliance of these Terms and Conditions.

Relationships, mutual rights and obligations of the User and the Bank shall be governed by the law of the Republic of Croatia. The User and the Bank shall resolve any dispute arising from these Terms and Conditions by mutual agreement. The court where the headquarters of the Bank falls within shall have jurisdiction over any disputes.

The communication between the User and the Bank shall be done in the Croatian language, unless otherwise agreed by the Bank and the User.

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These Terms and Conditions shall apply from 1 January 2023.

Terms and Conditions of KentBank d.d. for transaction accounts and performing payment and other services for business entities of 10 May 2022 shall cease to apply with the entry into force of these Terms and Conditions.