

Excerpt from the Decision on fees applied to operations involving business entities

## **I. GENERAL PROVISIONS**

In accordance with the provisions of this Decision, the Bank contracts, calculates and collects fees for services it provides in its business operations, unless a separate decision of the Bank or a contract concluded by the Bank prescribes otherwise.

## **II. METHODS, MANNER OF CALCULATION OF FEES AND ISSUING OF INVOICES**

### 1. Fee calculation methods

A quarter implies a calendar trimester, where the accounting period starts on 1.1., 1.4., 1.7. and 1.10. each year.

A trimester implies a calendar trimester for a three-month accounting period, starting from any day of the month or quarter.

### 2. Basis for calculation of fees

Basis for calculation may be the number of performed services and/or transactions during the accounting period or the amount of transaction for calculation of fee as a percentage of transaction amount. The amount of fee is increased by VAT amount for tariff items for which the calculation of VAT is specified

### 3. Manner of fee calculation

#### 3.1. National payment transactions

The fees for services in national payment operations in HRK are calculated per transaction, recorded per transaction during the month, become due and are collected on the last day of the month for the current month, by directly debiting the transaction account in HRK. The invoice for calculated fees is available to the Clients via NetBanking or is delivered on the first working day upon the expiry of the month in the agreed manner (via e-mail, postal services or at the branch).

If the client does not have sufficient funds on the transaction account on the date of collection to settle the fee, the transaction account in HRK would not be debited, but the unpaid amount of fee shall remain recorded and collected upon the receipt of funds. An exception are the blocked transaction accounts where the fee would be collected only after the deblocking of the transaction account.

#### 3.2. Cross-border and international payment transactions in HRK and foreign currency, and national payment transactions in foreign currency

The fee for non-cash services in cross-border and international payment transactions in HRK and foreign currency, and fees for national payment transactions in foreign currency are calculated per transaction and collected immediately, by directly debiting the transaction account in foreign currency or HRK, by applying a middle exchange rate of KentBank d.d. for foreign currency, except in case of fees for complaints which are being recorded during the month and which mature and are collected on the last day of the months for the current month, by directly debiting the transaction account in HRK

Fees for cash payments and pay-outs in foreign currency are calculated per transaction and collected immediately by directly debiting the transaction account in foreign currency or HRK, by applying a middle exchange rate of KentBank d.d. for foreign currency.

After the booking, the clients may take over the invoice via NetBanking or in other agreed manner.

If the client does not have sufficient funds to settle the fee on maturity date, the payment transaction shall not be executed.

#### 3.3. Documentary business

Fees for documentary business services are calculated per transaction in ABOS.

The invoices are sent to clients on daily basis, by e-mail, after the calculation, in the agreed manner.

The fee has to be paid within 8 days from the date of calculation.

In case of HRK and foreign currency guarantees, the issuing fee is calculated every three months in advance. The beginning of calculation in the first trimester is the date of issuing of the guarantee. Each commenced

trimester is calculated as an entire trimester. If a foreign currency guarantee is transferred to a new three-month period with validity period of 7 days, the fee for such period shall not be calculated. The basis for the calculation of trimester fee is the balance of the guarantee on the date of calculation.

For foreign currency guarantees, the fees are being calculated in HRK by applying a middle exchange rate of the KentBank d.d. for foreign currency as at the date of calculation.

In case of premature cancellation of the guarantee, the fees are non-refundable.

For documentary letters of credit, the issuing fee is calculated on a three-month basis, in advance. The beginning of calculation in the first trimester is the issuing date of the letter of credit. If we know the maturity date of the letter of credit in the last trimester, the fee for such period would be calculated in proportion to the number of days remaining until maturity. The daily fee is calculated by dividing the total three-month fee by number 90, while the three-month fee is calculated by multiplying the daily fee with the number of uses during the said trimester. The basis for the calculation of trimester fee is the balance of the letter of credit on the date of calculation.

The fees for letters of credit are being calculated in HRK by applying a middle exchange rate of the KentBank d.d. for foreign currency as at the date of calculation.

In case of premature payment of letter of credit or cancellation of letter of credit, the fees paid are non-refundable.

For HRK and foreign currency guarantees with agreed quarterly fee, the issuing fee is calculated on quarterly basis, in advance. The beginning of calculation in the first quarter is the date of issuing of the guarantee. Each commenced quarter is calculated as an entire quarter. If a foreign currency guarantee is transferred to a new quarter with validity period up to 7 days, the fee for such period shall not be calculated. The basis for the calculation of quarter fee is the balance of the guarantee on the date of calculation.

For documentary letters of credit with agreed quarterly fee, the fee is calculated on quarterly basis, in advance. The beginning of calculation in the first quarter is the issuing date of the letter of credit. If we know the maturity date of the letter of credit in the last quarter, the fee for such period would be calculated in proportion to the number of days remaining until maturity. The daily fee is calculated by dividing the total quarterly fee by number 90, while the quarterly fee is calculated by multiplying the daily fee with the number of uses during the said quarter. The basis for the calculation of quarter fee is the balance of the letter of credit on the date of calculation.

For documentary collections, the fees are being calculated in HRK by applying a middle exchange rate of the KentBank d.d. for foreign currency as at the date of calculation.

For payment for foreign currency nostro guarantees, import nostro letters of credit and documentary collections, as well as for receipt of collections for foreign currency loro guarantees, loro letters of credit and documentary collections, a fee is being collected, a so-called transfer fee, in accordance with the fee for national and cross-border transactions in EUR or fee for national and cross-border transactions in foreign currency (other than EUR) and fee for international transactions for outflows and inflows that constitute a part of this Decision.

The costs of sending the SWIFT are collected for each SWIFT message sent to the correspondent bank based on documentary business. Calculation of SWIFT costs is sent to the client in case of guarantees when such costs are incurred, and for letters of credit and documentary collections when the payment is executed or collection received.

The postal costs per documentary business is collected according to actual costs received from the service provider, except in case of registered delivery sent to the client in the country through our contractual supplier.

#### 3.4. Placements

The fee is calculated per transaction and collected immediately, by collecting it at the time of placement payout.

During the term of placement, the fees are being calculated for prolongation, change of conditions, change

of security instruments, etc. In such a case, an invoice is being issued with the calculation and sent to the client in the agreed manner. The client is under the obligation to pay the fee upon the receipt of the invoice.

The fees defined by tariff items as a percentage (%) are calculated in the currency of the placement i.e. in the return placement currency. For the costs / fees that have the value expressed in HRK and euros by the tariff item, the value of the tariff item is applied and calculated in the return placement currency. If the placement is contracted in the currency other than HRK or euro, the cost is calculated in a placement currency by applying the middle exchange rate of the Croatian National Bank as at the day of contracting that placement to the value of the tariff item in HRK.

### 3.5. Card transactions

Fees for card transaction services are calculated per transaction, periodically or as one-off fees.

The fees for credit cards are expressed on a monthly statement received by the client in the agreed manner. The fees for debit cards are recorded during the calendar month, expressed on the monthly statement and collected together with fees for payments and turnover at the end of the month by directly debiting the client's transaction account.

### 3.6. Exceptions for calculation of fees

Internal transfers for internal needs of the Bank (transfer of funds for coverage of fees, transfer to/from the sub-account term deposits, transfer to loan sub-account) are carried out free of charge.

Payments of funds transferred by business entities from their accounts from other banks to the term deposit sub-account with KentBank d.d. are carried out free of charge.

Transfers of funds upon the expiry of term deposit from the term deposit sub-account with KentBank d.d. to the transaction account of the business entity with another bank are carried out free of charge.

Processing of foreign currency inflow in the amount less or equal to the counter value of HRK 100.00 is carried out free of charge.

Recording of inflow in HRK from other banks (tariff item 3.3.1.) is not calculated for sub-accounts of residential buildings (sub-accounts 13).

Deposits and withdrawing of cash: the fee is not collected to authorised exchange offices in case when the cash register turnover is carried out through the account.

## III. FINAL PROVISIONS

In accordance with the provisions of this Decision, the Bank contracts, calculates and collects fees for services it provides in its business operations, unless a separate decision of the Bank or a contract concluded by the Bank prescribes otherwise.

Apart from the fees for the services foreseen by this Decision, the Bank calculates and collects all actual costs incurred during the execution of services:

- FINA, HNB and Money market, as well as all other entities, depending on the arrangement in question and its realization
- Postal and telecommunication costs
- Costs charged by other domestic or foreign banks
- Fees, taxes and alike paid by the Bank
- Other costs.

The Bank may, depending on its business interest, significance of the arrangement, market conditions, determine other amounts of fees that the ones specified in this Decision.

This Decision shall enter into force on the date of its adoption and shall apply from 15 August 2019. Upon the entry into force and the beginning of the application of this Decision, the Decision on Fees in the operations with Business Entities as of 24 April 2019 shall cease to apply.

In Zagreb, 30 July 2019