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

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## 1 INTRODUCTORY PROVISIONS

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

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

For the purposes of this General Terms and Conditions, a Business Entity is a legal entity, a governmental body, bodies of the state administration, local governments, associations and societies (sports, cultural, charitable, etc.), foundations, religious communities, natural persons operating in the field of their economic activities or self-employed (a public notary, a doctor, a lawyer, a 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 that it is familiar with the provisions of the General Terms and Conditions and other corresponding documentation which is an integral part of the framework agreement within the meaning of the Payment System Act and that it accepts their application.

General Terms and Conditions shall apply to all existing contractual arrangements on opening and managing transaction accounts of business entities with the Bank as well as to the existing contractual relationships related to the payment transaction services which the business entities concluded with the Bank.

## 2 DEFINITIONS OF TERMS

For the purposes hereof, particular terms shall have the following meaning:

### **Bank:**

KENTBANK d.d. Zagreb, Gundulićeva 1, Zagreb, Croatia

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

Tel: +385 1 4981 900

Fax: +385 1 4981 910

E-mail: [kentbank@kentbank.hr](mailto:kentbank@kentbank.hr)

Website: [www.kentbank.hr](http://www.kentbank.hr)

SWIFT: KENBHR22

IBAN: HR574124003101111116

The list of branches of the Bank along with communication 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** is the manner of debiting Payer's account and may be labeled with "True" or "False". The designation "True" specifies that the Beneficiary, when placing bulk order, must insure on the account the coverage for the total amount of payment orders in the bulk order, otherwise the entire bulk payment order is rejected.

**CRS** (Common Reporting Standards) is an integral part of the Council Directive 2014/107/EU as 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.

**Order execution date:** the date when the Bank debits the Beneficiary'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.

**FATCA** (Foreign Account Tax Compliance Act) 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 an international level and the implementation of FATCA.

**IBAN** (International Bank Account Number): an international transaction account number of the payment service Beneficiary. IBAN is a unique account identifier of the Beneficiary which the Bank provides to its clients.

**Authorization identifier** is a unique number in the combination with the identifier of a receiver of the authorization assigned by a Payee for the purpose of unambiguous marking of the authorization.

**Respondent** an individual whose identity can be identified; 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 that are inherent in physical, physiological, genetic, mental, economic, cultural or social identity of that individual; for the purpose of this document, the Respondent is a Client of the Bank.

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

**Beneficiary** – 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** is a national or cross-border payment service by which Payee's account is approved for the payment transaction or a series of payment transactions at the expense of the Payer's account by the payment service provider with which the Payer's payment account is kept, on the basis of the instruction given by Payer.

**Home Member State** is the Member State where the registered office of the payment service provider is located. If the provider of the payment services has not got the registered office as per its national law, then it is the Member State where its board is located.

**International payment transaction:** payment transaction between a payment service provider (payee or payer) in the Republic of Croatia and a payment service provider (payee or payer) in a third country (other than an EU country).

**Interbank business day** is when banks are open for business between banks i.e. the day when the bank of the payee and the bank of the payer operate through the payment system.

**National payment transaction:** the payment transaction, the execution of which involves the payer's payment service provider and the payee's payment system provider or just one payment system provider operating in the Republic of Croatia.

The Bank executes national payment transactions in HRK and EUR in accordance with the national rules and regulations of the European Union for carrying out credit transfers according to SEPA standards.

**Payment Order:** the instruction provided by Payer or Payee for the execution of the payment transaction, which contains all required elements for the execution of the payment transaction.

**Non-residents:** all businesses that are not listed as residents are considered to be non-residents.

**Framework Agreement** consists of:

- Agreement on opening and managing transaction account and performing payment and other services
- A separate agreement on other payments and/or other services, if concluded
- Application for opening and managing transaction account (filled out in the prescribed form of the Bank)
- Signature registration (filled out in the prescribed form of the Bank)
- Time of receipt and execution of payment orders of business entities
- General Terms and Conditions of KentBank d.d. on transaction accounts and performing payments and other services for business entities
- Decision on interest rates for business entities
- Decision on fees for business entities

**Personal data** - all data relating to an individual whose identity has been identified or can be identified (Respondent).

**Representative:** a natural person who represents the Beneficiary under the law, statute, founding act or other act.

**PIN:** personal identification number of the person authorised by the Beneficiary, assigned to him/her by the Bank, known solely to the authorised person and strictly confidential, serving for identification of the authorised person and authorisation with transactions demanding PIN identification and authorisation;

**Payer:** a business entity that issues an order or the authorization for executing the payment order with a transaction account or an authorization to Payee to execute a SDD order i.e. if there is no transaction account, the business entity issuing the payment order.

**Payment Transaction:** depositing, withdrawing or transferring funds initiated by Payer or Payee.

**Payment services:** services that provide depositing cash to the transaction account, withdrawing cash from the transaction account, the execution of the payment transaction at the expense and in favor of the transaction account.

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

**Coverage:** the amount of the available balance in debited currency sufficient to execute the payment transactions.

**Residents:**

- legal entities residing in the Republic of Croatia, except their foreign branches,
- branches of foreign companies and sole traders enrolled in a register kept by a competent government authority or administration in the Republic of Croatia
- sole traders, craftsmen and other natural persons with the registered seat, i.e. residence in the Republic of Croatia, operating within their line of registered business or self-employment,
- 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

**Transaction account:** every multi-currency account opened and managed for business purposes of a business entity by the Bank (hereinafter: the Account) which is used for the execution and recording payment transactions in domestic currency of the Republic of Croatia and other currencies.

**Attorney:** a natural person authorized to represent the Beneficiary by a power of attorney. The power of attorney must be certified by a notary public, except the powers of attorney of the lawyers which do not have to be certified. Certification of legal representative's or responsible person's signature shall neither be required when legal representative or responsible person sign the power of attorney personally at the Bank.

**Authorized person:** a natural person authorized by the Beneficiary's representative for disposal of funds in transaction account (and which deposited signature in the Signature registration form of the Bank).

**Signature registration:** the form by the Bank which registers authorized persons and their signatures in order to dispose of the Account as well as the seal used for the verification of the payment orders issued on paper. The Beneficiary can deposit the seal on the Signature registration form and use it when verifying payment orders in a paper form. Properly certified Authorization / Power of Attorney shall also be considered as signature registration.

**Payee:** a business entity or a natural person for which the funds - the purpose of the payment transaction - are intended for, and a payee for the cash funds under the SDD order is the business entity registered and active in the Registry of SEPA payees' identifier kept by FINA.

**Business HRK SDD Scheme** is a unique set of rules, practices, standards and implementing guidelines agreed within the banking community for performing direct debits in the Republic of Croatia, which is separate from any infrastructure or payment system that supports its implementation.

By establishing the Business HRK SDD Scheme, the banking community of the Republic of Croatia will provide direct debiting services in HRK according to the same business rules,

operating procedures and technical standards under which SEPA direct debits in EUR are executed. The Scheme applies to Payers non consumers.

**Cross-border payment transaction:** payment transaction between a payment service provider (payee or payer) in the Republic of Croatia and a payment service provider (payee or payer) in another member state. The Bank executes 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 a notice on the amount and collection schedule that the payee submits to the payer before the transaction account debiting date.

**Application Form** (hereinafter: the Application) – the form for issuing Maestro Business Debit Card for Business Entities by which the Customer submits a request and the Bank approves the issuance of the card. By signing the application form the Customer accepts these General Terms and Conditions of KentBank d.d. with Maestro Business Debit Card for Business Entities and General Terms and Conditions of KentBank d.d. by transaction accounts for business entities. These General Terms and Conditions and the Application Form signed and verified by the Customer and the Card holder and approved by the Bank constitute the content of the Frame Agreement (hereinafter: the Agreement).

**Payee:** the business entity or a natural person that are intended the funds that are the subject of the payment transaction. Payee to receive the funds from the SDD order is an entity that has to be registered and an active member in the Register of SEPA identifiers of the Payees at FINA.

**Account Information Service Provider (hereinafter: AISP)** is a payment service provider that performs the activity of a payment account information service, which constitutes an online electronic service providing to the End User, through the AISP, the consolidated status and turn over information according under one or several payment accounts that the User has with the Bank.

**Payment Initiation Service Provider (hereinafter: PISP)** - a payment service provider that performs the payment service initiation service on a payment account, which constitutes an online electronic service by which the End User of the Account assigns a payment order at the expense of the User's Payment Account opened with the Bank, via the payment initiation service provider (hereinafter: PISP).

**Payment service provider who issues 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 the availability of the funds in the account.

**Authorized person** is a natural person to whom the Representative of the Beneficiary gives authorization to represent. The power of attorney must be certified by the Notary Public, except the power of attorney that does not need the authorization. The signature of the legislative representative or the responsible person in the power of attorney does not need to be verified even if the legal representative or the person responsible personally signs the power of attorney in the Bank.

**R-transaction** is the payment transaction that can not be executed by the bank or the result of which is exceptional processing due to the lack of funds, a recall, a refund, an incorrect amount or an incorrect date, an absence of authorization or an incorrect i.e. closed account.

**Working day:** the working day on which payer's payment service provider and the payee's payment service provider is open for business, to allow the execution of payment transaction.

**Available funds:** the current amount of the positive balance in the debited currency plus the unused amount of the approved overdraft in the debited currency, reduced by previously submitted payment orders in the said currency waiting to be executed.

**Payment Reference:** the number assigned by the Bank which allows Payer to identify the payment transactions.

**Residents:**

- o legal persons with headquarters in the Republic of Croatia, other than their subsidiaries abroad,
- o subsidiaries of foreign companies and traders of individuals registered in the register kept at the competent authority of the state administration or administration in the Republic of Croatia,
- o traders, craftsmen and other natural persons with their registered office or permanent residence in the Republic of Croatia that independently carry out the economic activity for which they are registered,
- o diplomatic, consular and other representative offices of the Republic of Croatia abroad that are financed from the budget and Croatian citizens employed in these representative offices and members of their families.

**SEPA Direct Debit - SDD** is a national payment service for debiting Payer's transaction account, when the payment transaction (SDD order) is instructed by Payee on the basis of the Payer's authorization given to Payee.

**Authorization** is Payer's authorization to Payee for instructing a SDD order at the expense of the Payer's transaction account.

**Third country:** any non-Member state.

**Transaction account** - any multicurrency account that is opened and managed by the Bank for the business purposes of the business entity (hereinafter: the account) used for the execution and recording the payment transactions in the domicile currency of the Republic of Croatia and other currencies on the Bank's Exchange Rate.

**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; where the purposes and means of such treatment are laid down by Union law or by the law of a Member State, the processing controller or special criteria for his / her appointment may be provided for by the Union law or the law of a Member State. **For the purpose of this document, the Processing Controller is the Bank.**

**Time and date of the payment order receipt:** the document of the Bank which defines the time of the receipt and the time of the execution of the payment order.



**Authorized person:** a natural person who, on the basis of the law, statute, founding or other act represents the Beneficiary.

### **3 OPENING AND MANAGING TRANSACTION ACCOUNT**

#### **3.1 Opening of Transaction Account and Beneficiary Identification**

The Bank shall 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 Beneficiary of the payment services.

Before concluding the Agreement, the Bank submits the frame agreement in order to familiarize the Beneficiary with the rights and obligations arising from the conclusion of this Agreement.

The Beneficiary may open several accounts for any business purpose which is in accordance with the regulations. The Bank shall open transaction account based on the Application for opening the account and with the submission of proper documentation allowing the identification of the Beneficiary and persons authorized for disposal of the funds in the Account as well as conducting 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 prescribed;
- Act on the Establishment of the competent authority, if the Beneficiary is not entered in the register and is not established pursuant to law;
- Excerpt from the law or other regulation, if the Beneficiary is established pursuant to law or regulations;
- Information on classification of the Beneficiary according to the National Classification of Activities for the clients to which that notice is issued;
- Registration of the signatures of the persons authorized to dispose of the funds in the transaction account signed by the person/ persons authorized for representation; The Beneficiary can deposit the seal on the Signature registration form and use it when verifying payment orders in a paper form.
- Data on the beneficiary / actual owners;
- Questionnaire for conducting due diligence 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 on the transaction account is carried out;
- Personal identification number of the Beneficiary (PIN) and data on personal identification number of the persons authorized to represent, i.e. dispose of funds in the Account;
- Data required for keeping 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 Beneficiary will be signed by the legal representative of the Beneficiary, i.e. the Beneficiary who is a natural person acting in the field of its trade or profession.

Upon the receipt of the application for opening transaction account and the required documentation, the Bank shall open a transaction account. The Bank shall open the accounts in accordance with law and under the construction determined by subordinate legislation. The types of the transaction accounts are as follows:

- Account for regular operations of the Beneficiary
- Account of the Beneficiary's organisation unit
- Specific purpose account of the Beneficiary according to the needs
- Specific purpose account of the Client for the funds exempt from enforcement under the law
- Specific purpose account prescribed by the Rulebook on the Unified Account Registry
- Specific purpose account for the collection of mutual budget income
- Budget account

All stated accounts are open as multi-currency accounts, i.e. account number (IBAN) is the same for HRK and foreign currencies to be operated with on the transaction account and that are shown on the exchange rates of the Bank.

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

The Bank reserves the right to refuse the Beneficiary's request for opening of transaction account without providing an explanation to its decision on request denial. The Bank shall submit to the Beneficiary the written notice of the said refusal.

The Beneficiary is responsible for the veracity and accuracy of all data on the basis of which the Bank opened and kept transaction account and shall compensate to the Bank for any damage, loss or expense incurred as a result of the delivery of inaccurate and / or incomplete data.

Should there be any changes to the data, the Beneficiary shall immediately and not later than 8 days from the change inform the Bank in writing and deliver the required documentation. As regards non-resident Beneficiary, such deadline shall be 30 days counting from the date of change.

If the Beneficiary fails to inform the Bank of the change, the Bank may itself make changes to its database only if learning of them from official registers or other documents for which there are no reasons to doubt their authenticity.

### **3.2 Authorised Persons for disposal of funds**

When opening the transaction account, the Beneficiary's representative shall empower on the Registration Signature form one or several persons, having legal capacities, to sign payment orders and dispose of funds in the account. The Beneficiary will change Authorized persons for signing payment orders and disposal of funds in the Account by completing the Signature registration form of the Bank, in writing. New Signature registration forms will be applicable from the next working day from the day of the receipt in the Bank, if properly completed and verified.

In order to dispose of the funds in non-resident's transaction account, authorised persons may deposit their signatures on the Bank's form - Signature Registration or they can deliver to the Bank a properly certified Authorization / Power of Attorney.

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

The authorised person may perform transactions for and on behalf of the Beneficiary in line with the regulations, whereas such person's rights should not surpass the Account holder's rights. The

authorised person shall not be authorised to cancel the Agreement, close the transaction account, and transfer his /her powers to third persons or change the terms and conditions on the operations in the transaction account without a special power of attorney.

When a new legal representative of the Beneficiary wishes to revoke the authorised representative or appoint a new one, he/she is obliged to prove his/her authorisation for representation with the decision on the registration of his/her appointment as legal representative in court register with a competent commercial court or other relevant register of the competent government authority, if not otherwise prescribed by law.

The authorisation for disposal of funds in transaction account by using the electronic banking service shall be granted and cancelled in the manner prescribed by separate agreements and/or special general terms regulating the said services. When contracting electronic banking services the Beneficiary's representative shall give authorisations for signing payment orders and disposal of funds in transaction account to one or several persons.

The Beneficiary shall give authorization to dispose of funds in transaction account, change or cancel the same via electronic banking service in writing.

The Beneficiary shall be responsible for any authorised person's action and failures and the Bank shall not be held liable to the Beneficiary for any damage that might result from such actions or failures made by the authorised persons.

### **3.3 Account management and disposal of funds**

The Bank manages an account in HRK currency and foreign currencies. The Bank undertakes to perform payment services via accounts of the Beneficiary within the available funds in the Account.

The Bank will make available the amount of the payment transaction to payee in accordance with the payment transaction currency date no later than the date when the the Bank's account is approved for that amount i.e. after the Bank receives the notification on approval of the account.

Payment transactions that come from the payer from other local or foreign banks are processed by approving the Beneficiary's account on the basis of 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 account authorization for 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 funds for the payee the first following working day.

When the Beneficiary deposits cash in the account, the Bank will make him / her the funds available on the date of the receipt of cash.

The Beneficiary can dispose of the funds in the Account up to the amount of available funds. The funds on transaction account of the Beneficiary may be disposed by the Bank, without the authorization of the Beneficiary on the basis of orders received from the Financial Agency in accordance with the Enforcement Act on financial assets and all its future amendments as well as other competent authorities in accordance with applicable regulations.

The collection under the bills of exchange shall be conducted in accordance with applicable regulations.

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

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

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

The Bank insures deposits of creditors with a competent institution in the Republic of Croatia in accordance with special laws and regulations. Written information on deposit insurance are available in the business premises of the Bank and on the website of the State Agency for Deposit Insurance and Bank Rehabilitation ([www.dab.hr](http://www.dab.hr)).

## **4 EXECUTION OF PAYMENT TRANSACTIONS**

### **4.1 Payment Order**

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

Order for payment 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
- Execution date

Order for disbursement must contain at least the following:

- IBAN of the payer
- Name of the payee
- Payer's address (street, city, state)
- Payee's name
- Payee's address (street, city, state)
- Currency
- Amount
- Execution date
- Verification by the Beneficiary

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
- Execution date
- Verification by the Beneficiary

The Bank will enable completing all other elements of the payment order which are not listed as mandatory elements.

The Bank may, in certain cases, also request from the Beneficiarys other elements under the payment order for the payment orders, payments, disbursements and transfers, such as: address, payment description and similar.

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

Cost option SHA 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 stated (Payer OUR, divided expenses SHA or Payee BEN). If required by special provisions, 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 damages that may arise as a result of delays in the processing of the payment order if the damage was caused by the need of additional contacting the Beneficiary by the Bank in order to supplement the submitted payment order, i.e. issue a new, correct payment order.

## **4.2 Authorization of payment transactions**

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

- for orders issued on paper and submitted at the teller of the Bank, by the fax or mail in PDF format - if signed by persons authorized to dispose of funds in transaction account and verified by the seal, only for the clients that deposited the seal on the Signature Registration form.
- legal representatives of the Beneficiary, persons stated on the signature log/ special attorney or a special attorney for a deliverer of the payment order deliver paper orders to the Bank, on the contrary it shall be considered that the Beneficiary does not confirm the execution of the payment order
- for orders submitted by the Beneficiary via electronic banking - which is assigned and authorized with PIN by the person determined by the Beneficiary under a separate agreement i.e. the application form concluded between the Bank and the Beneficiary.

A payment transaction approved as described above shall be considered the authorized payment transaction ordered by the Beneficiary.

### **4.3 Execution of the payment transactions**

The Bank shall execute the received payment orders in accordance with the deadlines stated in the document 'Time of Receipt and Execution of Payment Transaction Orders (Cut Off Time)', provided that there are available funds in the account of the Beneficiary at the date of the execution of the order and if there are no legal obstacles to its execution. For the orders received after the indicated time of the receipt or as at the day that is not determined as a working day shall be deemed received the following working day.

The Bank shall execute the payment transaction in accordance with the Unique Identification Code specified by the Beneficiary, regardless of other information in relation to the payee or the payer. If the Beneficiary delivers to the Bank incorrect Unique Identification Code for a payment order, the Bank shall not be responsible for improper execution of the transaction. The Beneficiary is responsible for the accuracy and completeness of the data in the payment order in cases when the Bank completed the payment order under the Client's instructions.

If the execution of the payment orders includes currency conversion, regardless of whether the account is initiated by the Client, the Bank or a third party, the Bank will apply the currency conversion rate published at the exchange rate of the Bank valid on the day of the calculation, if not otherwise agreed with the Beneficiary. The Bank executes the payment orders in the currency specified in the order which must be one of the currencies indicated on the applicable exchange rates of the Bank. On the day of the commencement of the execution of the payment orders, the Beneficiary must insure the coverage on the account in the currency that is specified in the payment order as the currency coverage. Otherwise, the Bank may refuse to execute a payment order.

The Bank will execute the received payment order only in the context of the available balance on the account / accounts in the currency defined by the Beneficiary as the coverage currency.

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

If the Beneficiary has not fulfilled relevant data in the payment order submitted on the paper referring to the national payments in HRK and EUR and for which it is not necessarily to complete the model and reference number to Payee / Payer, the Bank will complete the model HR99 and the same shall not be considered as changing the instruction by the Beneficiary.

The Beneficiary agrees that the Bank may, without requiring special approval from the Account Beneficiary, make corrections to bank errors when executing all payment transactions that have resulted in a non-substantiated approval or debit of the Beneficiary's account. Implementing corrections involves corrections of the errors when executing payment transactions that have resulted in improper approval / debiting of the Beneficiary's account. In the event of any corrections, the Bank will notify the Beneficiary as soon as possible, in the most appropriate manner, including, but not limited to telephone contact to known telephone numbers, contact by email or a postmail to the mailing address. The Beneficiary has the right to check whether the correction was made in accordance with the given consent.

The Bank shall inform the Beneficiary on implemented corrections by a statement on turnover and balance and it shall deliver any additional information regarding the correction on bookkeeping made by the Bank at its written request.

The Bank shall also perform all other payments by debiting the Beneficiary's Account when it is entitled pursuant to a contractual relationship with the Beneficiary 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 relations between the Bank and the Beneficiary, the Beneficiary agrees that the Bank can collect its due claim from the funds with the Beneficiary's account.

The Bank shall execute the orders on the basis of the enforcement, only from the positive balance on the account. The unused amount of the approved overdraft is not included in the positive balance on the account regardless of the orders submitted by the Beneficiary for the execution, in accordance with the Enforcement Act on Financial Assets.

In case of debiting the Account on the basis of enforcement upon the orders of the Financial Agency, the Bank may deprive the Beneficiary of the right to use the framework loan in the account for the entire duration of the execution of enforcing payment or cancel the framework loan and make it due.

The approved frame agreement under the account at the moment of the account blockage upon FINA order is reduced to the currently used frame loan amount.

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

In the execution of the payment order, the Bank uses information on the name, address and OIB of the Payer from its system and this shall not be considered as changing the instruction by the Beneficiary.

#### **4.4 Batch booking**

Beneficiary can order the execution of the national payment transactions in HRK and EUR and cross-border payment transactions in EUR in electronic form using the "batch booking" option or debiting the account in the total amount for a particular group of orders. The Bank will execute only the group of orders for which the Beneficiary specified debiting of the account in the total amount if all orders within the group are correct and if the coverage for the execution of the whole group of orders is recorded on the Beneficiary's account. Otherwise, the Bank shall refuse to execute the whole group of orders.

If the Beneficiary does not mark the "batch booking" option in the payment order given in the electronic form, it shall be considered that debiting to the account is ordered in individual order amounts.

#### **4.5 Refusal of payment orders**

The Bank shall refuse to execute the payment order if all the conditions for the execution are not fulfilled. The Bank shall inform the Client on the refusal or the reasons for it and procedures for the correction of errors that caused the refusal, unless it is prohibited on the basis of the other regulations. If the payment execution is rejected, it shall be deemed that the order has not been received.

#### **4.6 Return of executed payment order**

In case that Payee's payment service provider could not approve Payee's account for a reasonable cause and make the refund of already settled payment order that relate to national payment transactions in HRK and EUR and cross-border payment transactions in EUR, the Bank shall, immediately after the receipt, approve the Beneficiary's account for the refund amount and inform on the same.

#### **4.7 The revocation of the payment orders**

The Beneficiary may revoke the payment order no later than to the end of the working day preceding the agreed date for the execution of the payment orders. After the expiry of that deadline, the Bank will try to accept the request for the revocation of the payment order if the same is technically feasible, that is, 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.

The Beneficiary may exceptionally, with the national payment transactions in HRK and EUR and cross-border payment transactions in EUR, in case of double, false or fraudulent initiation of the payment order, submit the request for the revocation of already executed order to the Bank within 10 working days at the latest from the date of the execution of the order. In case of accepting the revocation by Payee's payment service provider, the Bank will approve the account of the Beneficiary for the refunded amount. For cross-border payment transactions in EUR, the refunded amount may be reduced by Payee's payment service provider fee for the revocation of the order.

Should the request for the revocation by Payee's payment service provider is rejected, the Bank will inform the Beneficiary, along with stating the reasons for the rejection of the revocation.

The Bank charges the fee to the Beneficiary for the revocation of the payment order in accordance with Decision on fees in the operations with the business entities.

The Beneficiary authorizes the Bank to be able to debit the account for the amount of the approved payment order, with stating the reasons for debiting, on the basis of the revocation received from Payer's payment service provider and along with its authority to debit the account.

#### **4.8 Issuing payment orders via electronic/telecommunication channels, by fax or mail**

For issuing orders via electronic/telecommunication channels, it is required to sign a separate agreement regulating mutual rights and obligations under the Terms and Conditions of use of electronic banking services.

Issuing of orders for payment and transfer by fax or mail shall not be regarded as issuing payment orders electronically/via telecommunication channels.

The Bank shall, by way of an exception, execute an order received by fax or mail, in line with good business practice and shall, to the extent possible in such circumstances, verify the credibility and authenticity of contents and the Beneficiary's signature on the order and supporting documents, if any. In case of any misuse by the sender, the Bank shall not be accountable to the Beneficiary



and/or third persons for any type of damage that might result from such a way of issuing and executing orders.

Any order received by fax or e-mail in PDF format must be in compliance with the provisions of the Payment System Act or other laws and regulations, must be signed by an authorized person of the Beneficiary and verified by a seal if the Client deposited it on the Signature registration form.

The provisions of Article 4.8 shall be applied retroactively to all business relations with the Bank incurred before the adoption of these amendments to the Decision.

If the Beneficiary delivers to the Bank the original order that has already been sent by fax, the Beneficiary shall clearly indicate that it is an original, to avoid double payment execution. Otherwise, the Bank shall not be held liable for the damage that might be caused due to double payment execution.

#### **4.9 Payment initiation services, informing on the account and a confirmation on availability of funds**

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

If it establishes an attempt of unauthorized access to the accounts or an access for the purpose of fraud by AISP, PISP and / or CBPII, the Bank may prevent an access to such payment service provider, upon which it will inform the User of the Account in a contractual manner before such preventing or immediately afterwards, as soon as objectively possible.

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

## **5 DESCRIPTION OF SEPA DIRECT DEBITING SERVICE**

### **5.1 Authorization**

Payer and Payee may agree that Payer settles its obligations towards Payee via SEPA direct debit payment service.

SEPA direct debit is the national payment service in HRK for debiting Payer's transaction account when the payment transaction is instructed by Payee on the basis of the authorization given by Payer to Payee.

The authorization is Payer's authorization to Payee for instructing SEPA direct debit payments at the expense of the Payer's transaction account (the account types 11,13,14,15 and 18) and it is at the same time considered as the authorization given to the Bank for debiting the Payer's transaction account.

Payee determines a unique authorization identifier for every authorization that uniquely determines it.

Payer is obliged to notify the Bank immediately upon the signed authorization as well as any other change or cancellation / revocation of the authorization, and no later than from the date of the application of the approval or change or cancellation / revocation and, obligatory before the date of the execution of the next SDD order, in order to carry out necessary verifications in a way to deliver to the Bank a copy of the authorization / change / cancellation / revocation of the authorization and possible related instructions.

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

Payer will submit a copy of the authorization or change or cancellation / revocation upon the authorization to the Bank by handing it in person to the Bank's branch, deliver it by post mail or scanned by email. A copy of the authorization or change or cancellation / revocation by authorizations is delivered to the Bank by a legal representative, persons listed on the Signatory or a contact person listed in the Clients' 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.

Payer may change or revoke the authorization only to the Payee. Payee keeps the signed authorizations and is responsible for managing them.

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

The Bank is not responsible for any damage that may arise to the Payer if it executed the payment but was not notified of a change or a cancellation / revocation of the authorization.

Payer is obliged to notify Payee in the event of changes in the data stated in the authorization.

Payee must notify Payer who has signed the authorization on all changes to his / her data on the authorization (eg. the name of the Payee, the address ...).

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

## **5.2 Execution of the SEPA direct debit order (SDD order)**

Participants in the execution of SDD order are Payer non consumer - holder of the transaction account types 11,13,14,15 and 18 at the expense of which the SDD order is executed, Payee - a business entity, the Payer's bank and the Payee's bank.

When executing the SDD order the Payer's bank verifies the following:

- Prior to debiting of the Payer's transaction account, it verifies that the data on the authorization received as part of the SDD order corresponds to the data received and verified by the Payer and that the authorization is duly issued and confirmed by the Payer,
- Verifies each SDD order with the data from the archived authorization as well as with related instructions for the verifications if any is received by Payer,

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

The Payer's bank will execute the SDD order as at the execution date if the Payer insures required cash funds on the transaction account and if the authorization signed by the Payer and the data on the authorization sent by the Payee as part of the SDD order match in 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 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.

In order to execute the SDD order the Payer is obliged to insure the required cash funds available in the amount of the order and fee for the execution of the order until 12:00 hours on the date of the execution of the order. The Payer's bank does not execute the SDD order in partial amount. The Bank is not responsible for non-executed orders if there were not sufficient funds in the Payer's account to execute the entire order.

If the Payer has not provided necessary available cash funds in HRK to execute the order, the Bank will execute the order by debiting other currencies on 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 for SDD orders on the currency date at 12:00. The Payer's bank will not execute the SDD order if the Payer does not insure necessary available cash funds, if he or she insured them too late, if the Payer's account is blocked or closed and if the execution of the order at the expense of the Payer is forbidden i.e. limited by some of the modalities on special execution conditions. In case of non-execution of SDD order, the Payer must itself settle the Payee's obligation.

The date of executing the SDD order may only be an interbank working day.

The payment service of the cross-border SEPA direct debit is not available in the Republic of Croatia.

The Payer's bank collects the service of executing the SDD order in accordance with the Decision on fees with business entities.

### **5.3 Refusal of the SDD Order at the Payer's request (Refusal)**

Refusal of the SDD order at the request of the Payer is the procedure initiated by the Payer one working day before the execution date, requesting from the Bank not to execute the SDD order. The Payer may, one calendar day before the date of the execution at the latest, submit the request to reject the SDD order personally in the branch of the Bank or scanned, by email, by completing the bank's form **Request for the refusal of direct debiting (REFUSAL)** or delivering the request for the refusal via electronic banking e-Kent.

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

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

If the Payer wishes to reject the SDD order that the Payee has not yet sent to the Payer's bank (the Payer's bank does not have information on the order), than it must provide to the Bank the following elements of the order:

- identifier of Payee,
- identifier of the authorization,

- the amount and currency of the order,
- the exact date of implementing the order.

The Bank will refuse the SDD order containing the elements identical to those filed by the Payer in the request for the refusal.

Refusal of the SDD order does not represent a recall of the authorization to a Payee.

#### **5.4 Refund under the executed SDD order**

The Payer does not have the right to return the funds for the authorized payment transactions of SEPA direct debiting.

The right on a return shall not apply as regulated in Article 48 and 49 of the Payment System Act.

#### **5.5 Obtaining a copy of authorization**

Payer may ask the Payer's Bank to obtain a copy of the authorization that it gave to the Payee.

Upon receiving the authorization completed on the prescribed form **Request for issuing the authorization copy**, the bank shall forward the request to the Payee's bank for issuing the copy of authorization and related changes.

Payer submits the Request for issuing the authorization copy personally to the 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 i.e. the Payee's bank.

The Payer's bank charges the service for obtaining the authorization copy in accordance with the Decision on fees for Business Entities.

#### **5.6 Informing**

The Bank will inform the payers of each SSD order executed through the excerpts by the transaction account.

#### **5.7 Special Conditions of the Execution**

Payer may define the special conditions in the branch of the bank for the execution of each SDD order in the manner to complete the form **Special terms and conditions for the execution of the SDD order**. The form must be signed by the legal representative of the Payer.

The Payer shall deliver special execution terms and conditions (limiting criteria) at least 1 business day prior to the date of the execution of the SDD order.

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

1. General ban on executing all SEPA direct debits
2. White List
3. Black List
4. Limit to the amount and / or execution dynamics

## **General ban on executing all SEPA direct debits**

The Payer may make its transaction account inaccessible for the execution of SEPA direct debiting payment service by activating the general ban on executing all SEPA direct debiting. The Bank will reject i.e. it shall not execute every SEPA direct debits if there is an active general ban on execution in the account. The general execution ban is valid until the client revokes it. The general ban on performing all SEPA direct debits can not be combined with other modalities of special conditions of the execution. If there already exist other active modalities of special execution conditions on the Payer's transaction account and the Payer wants to activate the general execution ban, then the Payer must previously recall all other active modalities of the special execution conditions.

## **White list**

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 consent identifier for each Payee. Placing a particular Payee on the white list means that the Payer allows SEPA direct debit execution only by that Payee listed on the white list. If the Payer, along with the payee on the white list, additionally specifies the authorization identifier, the bank will execute only SEPA direct debiting defined by that authorization identifier. The Bank will refuse i.e. it will not execute every SEPA direct debiting initiated by the Payee who is not on the white list. The White List is valid as long as the client does not revoke it and can be combined with the limitation to the amount and / or execution dynamics. The white list can not be combined with the blacklist and the general ban of the execution of all SEPA direct debits. If there is already an active black list on the Payer's transaction account or a general ban on execution and the Payer wants to define the white list, then the Payer must first revoke the specified active modalities of the special execution conditions.

## **Black list**

Payer can define the black list for each transaction account by adding one or more Payees to it. Placing a particular Payee on the blacklist means that the Payer does not allow the SEPA direct debit execution by that Payee listed on the black list. The Bank will execute every SEPA direct debiting initiated by the Payee who is not on the black list. The blacklist is valid until the client revokes it and can not be combined with the limits against the amount and / or execution dynamic. The black list can not be combined with the white list and the general ban of all basic SEPA direct debits executions. If there is already an active white list on the Payer's transaction account or a general ban on execution and the Payer wants to define the blacklist, then the Payer must first revoke the specified active modalities of the special execution conditions.

## **Limit according to the amount and / or execution dynamics**

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

Limitation according to the amount means that the payer allows the SEPA direct debit execution of a particular Payee only up to the amount defined in the limit. The Bank will not execute SEPA direct debiting of a particular Payee if the amount of the order exceeds the amount defined in the limit.

Limitation according to the execution dynamics means that the Payer allows SEPA direct debit execution of a certain Payee only once in the selected period. The execution dynamics or the

selected period can be: weekly, monthly, quarterly, semi-annually or annually. Each period is defined as a calendar. The Bank will not execute SEPA direct debiting of a particular payee if a SDD order has already been executed in the selected period.

Limitation according to the amount and the limit according to the execution dynamics can be defined separately for each Payee, i.e. separately for each authorization identifier.

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

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

## **6 COMPLAINTS / RIGHT TO OBJECTION AND RESPONSIBILITY OF THE BANK**

### **6.1 Complaints / objections**

The Beneficiary is obliged to inform the Bank of unauthorized, irregularly executed, non executed and / or improper or a delayed executed payment transaction immediately after learning of such transaction and no later than 30 days from the date when the Bank made available Statement on changes and balance to the account which shows that such transaction was executed, i.e. had to be executed. If not, he/ she shall not have the right to complaint or the rights under these General Terms and Conditions.

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

If the Beneficiary considers that his / her right is violated in the business relationship with the Bank, he/ she may refer the complaint in writing to the address of the headquarters of the Bank with an indication that it is a complaint, immediately and no later than 30 days following the disputable event. The Beneficiary must include a detailed description of the event in the complaint and enclose all the evidence to which it relies on. The Bank will submit a response in writing no later than 10 working days from the receipt of the complaint. The Beneficiary is also entitled to file the complaint against the Bank to the CNB if he / she considers that it acted contrary to the legal provisions.

The complaints relating to services provided by AISP, PISP and / or CBP II, arising out of the contractual relationship between the Account Users and the said payment service providers, including, but not limiting to the consents that the User gives to the said payment service providers, are referred by the User solely to the service providers, under the terms and conditions and in the manners that they had previously agreed upon. In the case of the complaints relating to the authorization and execution of the payment transactions initiated by the PISP, they shall be referred to the Bank in the same manner as in the case of the complaints relating to the payment transactions initiated in the Bank's channels.

If this is about resolving requests or making objections by the Client / Respondent to the processing of personal data and exercising of 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 Privacy Policy under these General Terms and Conditions shall apply.

## **6.2 The responsibility of the Bank**

If the Beneficiary's complaint determines the Bank's responsibility for non-executed and / or incorrect execution of a payment transaction and / or a delayed execution of the payment transaction, the Bank is obliged to return the amount of non-executed and / or incorrectly executed payment transaction, all fees charged in connection with the non-executed and / or incorrectly executed payment transaction and corresponding interest rates.

The Bank is not obliged to refund the amount of non-executed and / or incorrectly executed payment transaction, if it resulted from exceptional and unforeseen circumstances which the Bank could not influence.

The Bank is not obliged to refund the payment transaction if the Beneficiary or authorized person accidentally or negligently fail to fulfill their obligations relating to the payment instrument, i.e. if the executed payment transaction is the result of the use of a lost or stolen payment instrument or the payment instrument that has been misused if the Beneficiary or authorized person did not protect the security features of the payment instrument.

The Bank is not obliged to refund the incorrectly executed transaction if the Beneficiary did not inform the Bank immediately and not later than 30 days from the date of execution of the payment transaction.

In the event of the execution of an unauthorized payment transaction, the Bank undertakes to return to the Beneficiary the amount of such unauthorized payment transaction, any fees collected in respect of an 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 Beneficiary or unauthorized payment transaction.

If the Bank subsequently finds out that the User has acted fraudulently and that the claim was unfounded, the Bank will make a claim from the Beneficiary by direct debiting its transaction account.

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

The Bank is not responsible for irregular payment operations, failure or untimely execution of the orders if disturbances appear during the mentioned performance such as force majeure, interruption of power supply, interruption of telecommunication lines and cessation of functioning or irregular functioning of the interbank transactions and other similar causes, the occurrence of which cannot be attributed to the Bank. Disturbances also imply cessation of functioning or irregular functioning of NKS, HSVP, FINA and SWIFT.

## **6.3 Responsibility of the Beneficiary**

If the execution of unauthorized payment transactions is the result of the use of lost or stolen payment instrument or the consequence of another misuse of the payment instrument, the Beneficiary is entirely responsible for these transactions. The Beneficiary is not responsible in the following cases:

- If the Beneficiary could not have detected the loss, theft or misuse of the payment instrument prior to the execution of the payment transaction
- If unauthorized payment transactions are the result of an activity or omission of an employee of the Bank or other entity the activities of which are outsourced
- If the Bank has not provided adequate funds for daily notification of loss, theft or abuse of the payment instrument
- If the Bank does not request nor apply trusted authentication of the Beneficiary

## **7 INTERESTS, FEES AND RATES**

### **7.1 Interest rates**

The Bank calculates the interest rate to the funds in the Beneficiary's Account and pays them out in the manner determined by the applicable decision on the interest rates or pursuant to a separate agreement with the Beneficiary.

If the Bank grants a loan to the Beneficiary – permitted overdraft in the account, the amount of interest rate and fee, as well as the method of calculation and collection of interest rates and fees for such a loan, shall be regulated under a separate loan agreement to be concluded between the Bank and the Beneficiary.

Non resident legal entities with head offices abroad shall pay the withholding tax on interest earned in the Republic of Croatia, at the prescribed rate or at the rate specified in the Double Taxation Treaty, if such a Treaty has been entered into by the Republic of Croatia and the country of legal entity's residency, and applied thereby.

For the purpose of applying the Double Taxation Treaty, non-resident legal entities with head offices abroad shall be under obligation to prove their residency to the Bank, in the manner defined by the Croatian tax regulations.

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

### **7.2 Fees**

The Beneficiary agrees to pay to the Bank a fee for the services of opening and managing the Account, performing payment services and other services in the Account for which the Bank shall calculate and charge fees and expenses in accordance with applicable Decision on fees or pursuant to a separate agreement concluded with the Beneficiary.

For national payment transactions in local currency, the accrued fee is due on a monthly basis of which the Bank informs the Beneficiary via the account.

For national payment transactions in other currencies, cross-border and international transactions, the fee is charged and is due immediately after the execution of each transaction, of which the Bank will inform the Beneficiary via the Statement on changes and balance in the account (hereinafter: the Statement).

The Beneficiary authorizes the Bank to collect the fee immediately upon maturity, from the funds in the Beneficiary's Account. If there are no sufficient funds in the Beneficiary's Account for the collection of fee as at 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.



The Bank calculates and collects fees denominated in foreign currencies applying the middle exchange rates for the relevant currency according to the applicable rates of the Bank on the day of the calculation.

The Bank reserves the right to collect the fee from the Beneficiary for the actual costs of foreign and domestic banks in case of incomplete or deficient data on a given payment order (NON-STP cost), the actual costs of intermediary banks as well as the costs of a foreign bank if the 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 of daily exchange rates for foreign currencies of the Bank shall apply, unless the parties agreed otherwise.

## **8 REPORTING ON CHANGES AND BALANCES IN THE ACCOUNT**

The Bank informs the Beneficiary of changes (information on executed payment transactions and payments in the account) and the balance in the transaction account via the Statement.

It shall be considered that the Beneficiary agrees with the data in the Statement if he / she does not file a complaint within 30 days from submitting the Statement to the Beneficiary at the disposal, i.e. from the date of delivery, if sent by post mail.

If the Beneficiary uses additional services for the receipt of the Statement or information on the balances and changes to the account such as post mail, e-mail and similar, the Beneficiary accepts the exclusion of liability of the Bank for the information which could possibly be received by third parties, to which the Bank has no influence.

The Bank shall notify the Beneficiary of calculated and paid out interest on the transaction account via the Statement.

The Bank shall inform the Beneficiary on calculated and collected fees on a monthly basis and on fees for payment transactions which the Bank calculates in advance via Statement on changes and balances in the account.

## **9 OTHER SERVICES**

The Bank shall enable additional services related to the Account, which the Bank and the Beneficiary will contract separately and may issue special general terms and conditions in connection thereof, the provisions of which will supplement contractual benefits and apply together with the provisions hereof.

The Bank may prevent any further use of additional services in the event of irregular transactions in the Account, i.e. if there exist unsettled claims of the Bank on fees for executing payment services. If the Beneficiary, upon the payment of the liabilities to the Bank, wants to continue the use of additional services, he / she is obliged to inform the Bank in writing of that.

## **10 AMENDMENTS, TERMINATION OF THE FRAMEWORK AGREEMENT AND CLOSING OF THE ACCOUNT**

### **10.1 Amendments to the Framework Agreement**

The Beneficiary and the Bank agree that the Bank reserves the right to amend all the documents that are an integral part of the framework agreement upon which it shall inform the Beneficiary at

least 15 days prior to their application. The Bank will make the amended General Terms and Conditions and other documents which are an integral part of the framework agreement available in the branches of the Bank and will disclose them on its website [www.kentbank.hr](http://www.kentbank.hr) with the indication of the effective date. The Bank is allowed to apply the amendments that are more favourable for the Beneficiary without a previous informing of the Beneficiary.

If the Beneficiary does not notify the Bank in writing that he/she does not accept the amendments by the date of the application of the amended framework agreement, it shall be deemed that he/she accepted the published amendments. If the Beneficiary informs the Bank in writing that he/she does not accept changes to the framework agreement, it shall be deemed that he / she does not want to continue the business relationship with the Bank and shall be deemed that the Beneficiary has canceled all individual agreements that make up the framework agreement and is obliged to settle all his obligations to the Bank and return the payment instruments related to the operations of the Account, if they have been given to the Beneficiary under a separate agreement.

## **10.2 Termination of the Framework Agreement and closing of the Account**

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

The Framework Agreement shall also expire upon the cessation of the existence of the Beneficiary i.e. the cessation of the economic activity or self-employment by the Beneficiary, a natural person, who independently performs an economic activity or is self-employed or upon the death of this natural person.

Closing of the account and the termination of the Framework Agreement is possible upon unilateral termination by the Bank in the following cases;

- if there were no transactions in the Account for at least 12 months
- in the event of irregular transactions in the Account, i.e. if there exist unsettled claims of the Bank on fees for performing payment services and in the event of the failure to comply with these General Terms and Conditions by the Beneficiary. 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 Beneficiary's Account or the other Beneficiary's Accounts with the Bank
- in the event that, at the request of the Bank, the Client does not submit the requested information and documentation required to determine the actual Client's owners in accordance with Anti Money Laundering and Terrorist Financing Act
- if the Client does not submit the documentation for determining the status of the tax residence, and the statements, consents and other forms required to implement the CRS and FATCA regulations.
- in the event of suspected misuse

In these cases, the Bank may, apart from the Framework Agreement and the Term Deposit Agreement, terminate all other agreements that it has concluded with that Client and terminate the cooperation in its entirety.

The Bank shall close the Account to the Beneficiary at his / her written request, ex officio (on the basis of the final decision on removal of the business entity from the court, craft, or other appropriate register, due to the opening or closing of the bankruptcy proceedings, in accordance

with the Rulebook on the Unified Account Register, etc.), by unilateral termination of the agreement or upon the expiry of the notice period in case of the termination of the Agreement on the opening of the Account, on the basis of a court decision, competent authority, law or other regulations.

The Bank shall not close the account of the Beneficiary marked as blocked in the Unique Account Register that is also without any other account opened with any other bank in Croatia.

The Bank will close the Beneficiary Account that has ceased to exist by deleting it from the appropriate registry, regardless of the blockage mark in the Unique Account Register.

The Application to open the Account must be certified by a Representative. If the Account is closed on the basis of law or other regulation, it shall be closed without the written request of the Beneficiary in the events of irregular operations or suspected misuse.

In case of the cancellation of the Agreement by either the Bank or the Client, the Bank is authorized to charge a fee for closing the Account, i.e. the fee for the use of particular services pursuant to the Decision on fees of the Bank in transactions with business entities.

Before closing the Account, the Beneficiary is obliged to pay to the Bank all accrued fees and expenses, unless otherwise provided in special cases.

When closing the Account, the Bank shall, upon the collection of all due obligations of the Beneficiary, 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 remaining funds in foreign currency to HRK currency at the buying exchange rate in accordance with the rates of the Bank applicable as at the date of the conversion.

The Bank shall not accept the application to close the Beneficiary's Account if the Beneficiary has due, unsettled obligations to the Bank or if the Bank, upon an order by Fina reserved (pledged) the assets for the enforcement on the User's account for the purpose of the settlement of other User's creditors or if the Beneficiary 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, i.e. by the termination of the Agreement.

## **11 PERSONAL DATA PROTECTION**

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

When collecting and processing personal data of the Client, the Bank provides information under the General Regulation, depending on whether the data was obtained from the Respondent or a third party.

Data that 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 (transaction and deposit account numbers, loan numbers, credit and debit card numbers, secret codes (PINs, PANs, etc.)
- Financial transactions (announced and executed payments, account balances, assigned credit lines, deposits, guarantees)
- Membership in associations (trade unions, political parties, etc.)

If the Bank collects and processes certain categories of personal data not mentioned in these General Terms and Conditions, the Bank shall inform the Client on the collection and processing at the time of the collection by the "Privacy Statement" document adapted to the collection and processing of personal data for various purposes, that are stated in the respective statements.

Clients may find privacy statements on the Bank's website [www.kentbank.hr](http://www.kentbank.hr), as well as in a branch of the Bank.

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

The Bank collects and processes the personal data from the Respondent that it needs to fulfill the purpose for which it is collected and it is collected on the basis of one of the legal grounds set out in the General Regulation, i.e. if the processing is necessary for the performance of the agreement in which the Respondent is a Party, if the processing is necessary to undertake 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, duplicate, record and inspect personal data for the purpose of the regular business operations of the Bank and members of the Group to which the Bank belongs in a third country.

The Bank may forward personal information to third parties, as follows:

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

Furthermore, the Bank 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, all during the term of a particular contractual relationship, as well as for the needs of any later procedures and activities related to non-fulfillment or not regular fulfillment of contractual obligations arising from this contractual relationship.

The Bank will process the Personal Data of the Client only for the purpose for which they have been 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 group member in a third country in the form of the reports at different time intervals, the reports that the Bank must submit in accordance with the law and / or internal rulebooks and procedures of the Bank,
- for the purpose of direct marketing during and after the expiration of a business relationship.

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

The Bank shall keep the Client's personal data as long as it is permitted by the relevant legal regulation relating to the particular processing of personal data, i.e. as long as allowed by the respondent.

During the term of the contractual relationship, the Client has the following rights:

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

The Client may achieve such rights at any time on the Bank's form or in a free form and submit it to the Bank in one of the following manners:

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

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

## **12 PROTECTIVE AND CORRECTIVE MEASURES**

The Beneficiary shall use a particular payment instrument in accordance with the provisions of these General Terms and Conditions and other documents of the Bank regulating the issuance and use of a specific payment instrument.

The Beneficiary is obliged to immediately notify the Bank on 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 Beneficiary, revocation of the Attorneys authorized to dispose of funds in the Account, of seals and the like. Reporting on a loss or theft or unauthorized use or misuse of the payment instrument will be executed in writing by the organizational part of the Bank in which the Beneficiary has opened a transaction account.

The Beneficiary is responsible and bears damage for unauthorized payment transactions executed via payment instruments, which are the consequence of the loss or theft or unauthorized use or misuse of the payment instrument by the time of reporting to the Bank the loss or theft or unauthorized use of the payment instrument.

The Bank will be authorized to block the payment instrument for the reasons

- relating to the security of the payment instrument,
- relating to suspected unauthorized use or the use of the payment instrument with fraudulent intent,
- if the Bank provides a payment instrument with a credit line, relating to significant increase of the risks that the Payer / Beneficiary will not be able to fulfill its payment obligations.

The Bank shall, if possible, inform the Beneficiary of the intention of blocking the payment instrument before the blockage, by phone and / or in writing or in any other appropriate manner.

If the Bank is unable to inform the Beneficiary on the intention for blockage before the blockage, the Bank shall do this upon the blockage of the payment instrument by phone and / or in writing or in any other appropriate manner.

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

### **13 FINAL PROVISIONS**

These General Terms and Conditions are available in a written form to the Beneficiary on the Bank's website [www.kentbank.hr](http://www.kentbank.hr), as well as in every branch and affiliate of the Bank. Any possible amendments will be disclosed 15 days prior to their application and shall be available in the same manner.

By signing the Agreement on opening and managing a transaction account and performing payment and other services, the Beneficiary acknowledges that, prior to entering into the Agreement, he/ she was familiar with the General Terms and Conditions and accepts their intended use.

Any issue that has not been regulated by these General Terms and Conditions shall be governed by relevant internal documents of the Bank in the operations with business entities.

These General Terms and Conditions shall apply to the rights and obligations of the Bank and the Beneficiary in all transaction accounts which the Beneficiary opened with the Bank on the basis of the agreements concluded before the effectiveness hereof. If particular provisions of the Agreement on opening and managing the business account and performing payment and other services differ from the provisions of these General Terms and Conditions, the provisions hereof shall apply.

In case of conflict of the provisions of these General Terms and Conditions with applicable legal and sublegal regulations, the provisions of legal and sublegal regulations shall apply until the relevant amendments to these General Terms and Conditions are made.

Relationships, mutual rights and obligations of the Beneficiary and the Bank shall be governed by the law of the Republic of Croatia. Any disputes arising from these General Terms and Conditions, the Beneficiary and the Bank shall be resolved by mutual agreement. For any dispute arising hereunder competent shall be the court in the location of the headquarters of the Bank.

The Beneficiary and the Bank shall communicate in the Croatian language, unless the Bank and the Beneficiary agree otherwise.

These General Terms and Conditions shall take effect with the date of their adoption and shall be applied as of 13 November 2019.

General Terms and Conditions of KentBank d.d. on Transaction Accounts and performing Payment and other services for Business Entities dated 14 September 2019 shall cease to apply with the entry into force of these General Terms and Conditions.

KENTBANK d.d. ZAGREB