



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

2024

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## 1 INTRODUCTORY PROVISIONS

### 1.1. Contents

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

### 1.2. Definition of Terms

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

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

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The Bank operates on the basis of the operating license issued by the Croatian National Bank (hereinafter: the CNB), the authority in jurisdiction for the supervision of the operations of the Bank.

**Significantly unfavourable change** - Significantly unfavourable change is considered any event or circumstance that (separately or interfering with any previous event or circumstance) represents the negative change in the assets, financial or commercial position of the Client and/or Connected persons and/or with any collateral provider under Item 6.6. of these Terms and Conditions that is of such an extent that the Bank can reasonably expect that the Client will not meet obligations arising from the Credit products and other products and services of the Bank.

**Means of insurance** is a means of collection of receivables that the Bank has at its disposal in the event that the client stops repaying obligations or pays them irregularly.

**Financing documents** – the credit application and all its appendices, the Credit product agreement and all its appendices and means of insurance

**Client** - is a Business Entity in a business relationship with the Bank assigned with this status on the basis of the regulations of the Republic of Croatia.

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

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

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

**Authorized representative** is a natural person authorized by the Client's Legal Representative to dispose of funds in the transaction account.

**Term deposit** is the amount of funds deposited by the Client as a depositor in the Bank for the agreed amount and term, and the Bank in turn undertakes to pay out the deposited amount of funds increased by the contracted interest rate upon the expiration of the agreed term.

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

**Business entity** is any legal or natural person operating within the scope of their economic activity or free profession and other non-consumers who may have a resident or non-resident status.

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

**Connected persons** of the Client are connected persons according to the definition under the Credit Institutions Act and their connection is determined in accordance with the subordinate documents of the Croatian National Bank.

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

**Business day** is the day on which the relevant payment service provider participating in the execution of the payment transaction is open for business so that the payment transaction can be executed.

**Transaction account** is any multi-currency account that is opened and maintained by the Bank for the business purposes of a business entity (hereinafter: Account) and that is used to execute and record payment transactions in the national currency of the Republic of Croatia and other currencies that are on the Bank's exchange rate list.

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

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

**Request/Application** is any form in the form and the content acceptable to the Bank submitted by the Client to the Bank for contracting any product or service of the Bank or for changing and/or canceling contracted products or services.

**Client's Legal representative** is a natural person authorized to participate in legal transactions on behalf of and for the account of a legal entity, which includes concluding the contracts (legal transactions), representing in court and other proceedings and performing other actions necessary for the functioning and achievement of the objectives of the legal entity.

## **2. BANKING SECRECY AND PERSONAL DATA PROTECTION**

The data on the Bank's clients, legal representatives of the clients and other persons authorized to represent the Bank's client as well as facts and circumstances that the Bank has learned on the basis of providing services to clients and performing transactions with an individual client, are considered banking secrecy and the Bank may disclose them only in cases governed by law. Information on the Bank's rights and obligations that relate to the collection and processing personal data, the purposes and the legal basis for processing, and information on the rights and obligations of clients and other persons whose personal data are processed, on security measures and the protection of personal data that are processed as well as all other information obliged to be provided to the Client by the Bank as the data controller can be found in the Privacy Statement for placements available on the Bank's website [www.kentbank.hr](http://www.kentbank.hr) and in the Bank's branches.

By accepting these General Terms and Conditions and/or submitting the completed and signed Application, the Client confirms that they have received all the aforementioned information from the Bank through the General Terms and Conditions of Kentbank d.d. in credit and deposit operations with business entities and the Privacy Statement for placements. This Item of the General Terms and Conditions also applies to and is applicable to authorized representatives as well as all other natural persons whose data are processed and collected by the Bank in connection with the contracting of credit products and term deposits.

### **3. OBLIGATIONS OF THE BANK**

In the fulfillment of the obligations arising from the business operations of the Bank with the Client, the Bank will act with due attention, according to the rules and customs of the profession.

The responsibility of the Bank is solely restricted to direct and actual damage suffered by the Client due to gross negligence or intent on the part of the Bank. The Bank is not liable for any failure to perform the obligations if their fulfillment is prevented by force majeure or any other cause that the Bank could not influence.

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

The Bank reserves the right to deny the specific product or a service to the Client and does not bear any responsibility for any damage in cases where, after the approval of a specific product or service to the Client, such circumstances occur (or the Bank learns that they have occurred) due to which, according to the Bank's free judgment, if they existed (or were known to the Bank before the approval of such a product or service), the Bank would not have approved the product or service in question at all, that is, it would not have made such a decision on approval under the conditions agreed with the Client. This provision applies, among others, on intentional or accidental suppression of information necessary for the Bank to assess the risk of a particular Credit product as well as on a change in the provisions of the regulations (including the guidelines and recommendations of the competent authorities, both in the Republic of Croatia and abroad and similar) which may have a direct or indirect impact on the business of the Bank. In addition, the Bank reserves the right to request again during the re-approval, extending the term of use or change of any other conditions, whether previously agreed or done through the agreement (such as reissuing/extending the use of a certain product or service), the confirmation of the facts, circumstances and/or conditions necessary for the approval, extension or other decision regarding such product or service including also, without restriction, the verification of the Client's creditworthiness. In the event that there are no assumptions required by the Bank at the time of approval, extension of the term of use or modification of any other conditions, i.e. if in the opinion of the Bank, the necessary proof of the existence of relevant facts, circumstances and/or the fulfillment of the conditions has not been provided, regardless of other provisions in the agreement or other document that regulates the rights and obligations between the Client and the Bank, the Bank may not approve the use of such a product or service, prolongation of use, or changes to other conditions. In the event that the fulfillment of any of the obligations assumed by the Bank in an individual contract, i.e. the provision, financing or maintenance of the Credit Product, is or becomes illegal, the Bank shall promptly inform the Client of this, who will prematurely repay the withdrawn/used and unpaid amount of the Credit product without delay, and the Bank's obligation to provide the Credit Product/fulfill the obligations under the individual agreements shall cease without delay in the aforementioned case.

Regardless of the agreement or other document regulating the mutual rights and obligations between the Client and the Bank in relation to a particular product or a service, the Bank reserves the right not to approve, extend the use period or modify the terms of use of individual product or service even if it has ceased to provide a certain product or a service (in its entirety or only to a particular segment of Clients or for a particular segment of products) on the basis of its business policy or a decision.

In cases referred to in the previous two paragraphs, the Bank may, regardless of the provisions of the agreement in question with the Client (unless expressly agreed otherwise) exclusively at its own choice: (i) cancel the contracted relationship with the Client, (ii) cancel the contracted relationship with the Client and offer the conclusion of the agreement under the modified conditions. In such cases, the Client waives the right to file a claim for a damage compensation, as well as any other claims it may have against the Bank, and the Bank reserves the right to file a claim for a damage compensation as well as any other claims it may have against the Client according to the positive regulations or based on the credit relationship with the Client.

The Bank shall execute the order for which the participation of a third party is required due to the nature of the order or a more efficient execution of such an order according to the Bank's estimate so that it contacts the third party on its behalf.

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

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

After meeting all obligations arising under the Credit product agreement, the Bank shall, at the Client's expense and request, return all unused collateral submitted by the Client pursuant to the Credit product agreement and issue the documents adequate for registering the deletion of collateral entered in the public books, records and registers, if this has been contracted.

#### **4. OBLIGATIONS OF THE CLIENT**

##### **4.1. Statements and Guarranties**

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

1. that, in accordance with the regulations of the Republic of Croatia, the company is the properly registered company (d.o.o. - limited liability company / d.d. - joint stock company and similar) and in good financial conditions;

2. that the Client duly registered the company in accordance with the regulations of the country in which the Client has a registered office (if a non-resident) and that it is in a good financial condition;
3. that the Client has the appropriate powers and authorizations to own the real estates and the assets and perform the registered activity;
4. that the Client is not insolvent, in bankruptcy or in liquidation or under the extraordinary management and similar, nor any court, judicial, arbitrage or other procedures were initiated against the Client or members of their management and supervisory boards, the outcome of which might endanger the Client's ability to properly perform the obligations under the Credit products and other products and services of the Bank;
5. that they possess all authorizations required to perform its registered activity and is not acquainted with the circumstances for which it could reasonably be expected to adversely affect their rights, possession and/or obtaining the extension of all foreseen authorizations and/or obtaining any new authorizations regulated for the performance of their activity;
6. that the Client has all necessary powers, authorizations and approvals for the conclusion and execution of the obligations under the Credit products and other Bank's products and services and providing the contracted collateral and that all preconditions and obligations as determined in these General Terms and Conditions and Credit products and other products and services of the Bank are met and all necessary measures for legality and validity of a legal business and collateral undertaken. All authorizations, decisions and approvals required for the conclusion and carrying out the obligations under the Credit products and other Bank's products and services and the provision of collateral are valid and timely performed and the Client does not know for any reasons or circumstances that might bring into question their legality and that the Client has undertaken all activities required for the legality and validity of the obligations relating to the Credit products and other products and services of the Bank as well as for the obligation of receivables of the Bank arising out of the Credit products;
7. that, before the conclusion of the legal transactions in Credit products and other products and services of the Bank, the Client had not have concluded financing agreements with other bank and/or financial institution or that, on the day of the conclusion of a certain legal transaction with the Bank, the Client is indebted with the loan with a credit institution or another creditor, as indicated by the Client in the Loan Application;
8. that **no significant adverse change** occurred with the Client in financial or any other terms until the day of the conclusion of the legal transactions under the Credit products and other products and services of the Bank;
9. that all the information provided by the Client to the Bank is true, complete and accurate in any material aspect and that the Client is not aware of circumstances that might reduce the Client's credit standing and challenge the performance of contract obligations which could thus influence the decision of the Bank on the loan approval or any of the Credit product and other products and services provided to the Client by the Bank;



10. that the Client's annual financial statements, which are taken into account when concluding legal transactions under the Credit products and other products and services of the Bank, together with the audit report (if required by law) represent true and fair overview of the Client's financial position at the end of the period to which they relate. The Client guarantees that no significant adverse changes have taken place from the end of the accounting period to which the financial statements relate, which would affect the Bank's decision on granting loans or Credit products and other products and services of the Bank. As at the date of the preparation of the financial statements, the Client did not have any potential or other liabilities that were not disclosed in the statements or the accompanying documentation or for which the provisions were not made nor any unrealized or anticipated losses in advance, arising from the assumed contracted obligations which have not been disclosed or for which no provisions were made as regulated;
11. that the Client adheres to all contracted obligations and execute the obligations arising from the credit relationship with the Bank within the contracted deadlines;
12. that the funds of the approved loan are used solely for the purpose for which they are approved, if such purpose is contracted;
13. that the Client maintains creditworthiness, liquidity and solvency throughout the whole period of the use of the credit product;
14. that the Client allows the Bank contracting a subsequent increase in the scope of insurance for returning the Bank's claim or the replacement of individual collateral due to changes in the level of risk or the value of the collateral during the term of the credit product agreement;
15. that the Client shall settle all the costs arising from the credit relationship, including the costs of notary public, assessor, insurance, documentation verification costs and similar and is obliged to compensate to the Bank all costs arising from the credit relationship with the Bank including thereby the obligation to compensate for any damage that was made to the Bank on the basis of any action or omission of the Client, a participant in the loan relationship or Connected persons;
16. that, by contracting any product or service and by fulfilling any obligation in relation to the Credit product, the Client shall not violate any law or other regulation, a decision of the court or a state body, its founding documents and internal documents or a contract to which the Client is a party;
17. that, by the date of settlement of all obligations to the Bank, the Client shall undertake all necessary actions to protect his assets from the rights, demands and interests of third parties;
18. that the Client shall ensure that the obligations in relation to the Credit products are of at least equal settlement priority as well as all other present and future unsecured and subordinate obligations, except for the obligations that have the priority settlement right assured by law.

In addition to the above-mentioned guarantees, the Client undertakes that, from the date of the conclusion of a certain legal transaction with the Bank in connection with the Credit product or other product or service of the Bank until all obligations to the Bank are settled, the Client shall not, without the prior consent of the Bank:

1. alienate its property without prior written consent of the Bank, except for the monetary or other compensation representing the value equivalent countermeasure of the simultaneous maturity
2. implement the status changes (merger, consolidation or division) or undertake any other action that may result in the termination of its existence as an independent business entity, its organizational form or the change of the subject matter in its business operations, without the written consent of the Bank;
3. undertake actions that may result in the reduction in the creditworthiness and/or questioning the Client's ability to timely and fully meets the obligations with regard to the Credit product;
4. change the terms of the agreement on the claim assigned to the Bank without the Bank's prior consent.

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

Except for the statements and guarantees of the Client under the previous provisions, the Bank and the Client may agree on additional statements and guarantees in any particular activity concluded between the Bank and the Client whereby, unless otherwise contracted by a particular clause, the statements and guarantees determined hereby will apply over such specifically contracted statements.

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

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

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

The provisions of this Item 4.1. shall be appropriately and completely applied to any collateral provider under Item 6.6. of these General Terms and Conditions or any other persons that are in another appropriate way responsible for and guarantee the Client's obligations in connection with the Credit product agreement. This also applies to Connected persons of the Client and the Bank is thereby, under the circumstances, authorized to act in accordance with the preceding paragraph of this Item.

## **4.2. Identification**

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

The Client shall immediately inform the Bank in writing of any change of personal information, name, address, headquarters, data on the status, data on the change in the ownership structure, authority to represent the Bank (persons authorized to represent and the scope of their competence), establishment or termination of the connected relationship (according to the provisions on commercial companies), the submission of a proposal to institute prebankruptcy settlement, bankruptcy proceedings, initiating the bankruptcy proceedings or liquidation proceedings and other data on the basis of which the Credit product or some other product or service were granted and submit with it the appropriate documentation.

The Client is responsible for all omissions or damage that may occur due to non-compliance with the obligation to provide information about the changes that have occurred as well as due to non-compliance with the obligation to provide any other information requested by the Bank.

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

The Client's signature registrations are stored with the Bank and remain effective until the written revocation/cancellation or a replacement with the new.

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

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

In addition, as long as there is any claim of the Bank against the Client, the Client shall immediately submit to the Bank the data made available to other financial institutions and all other information that the Bank may request, either for the purpose of reporting to the competent authorities or for continuous assessment and management of exposures to the credit risk.

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

During any transaction with the Bank, the Client gives an order in writing in the form and the content acceptable for the Bank with which the Client is obliged to enclose the regulated documents in accordance with Internal documents of the Bank. The content of the order must be unambiguous.

The Bank is not responsible for any damage caused by delays in undertaking business if the damage is caused by the need for additional verification in the event that the content of the order is not sufficiently specified, as well as in the case of Force Majeure or any other cause beyond the Bank's control, which caused the delay.

#### **5 DOCUMENTATION**

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

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

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

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

#### **6. CREDIT PRODUCTS**

##### **6.1. Use of the loan**

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

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

The method to use the loan depends on the contracted purpose of the loan and the Client can start using the approved and contracted loan after all contracted collateral are delivered to the Bank and the fulfillment of all contracted conditions, on the date determined by the Bank depending on its capacities.

## **6.2. Maturity**

The date of maturity of any credit product is considered the date agreed by the credit product by which the Client is obliged to fulfil all obligations under the Credit product agreement to the Bank.

## **6.3 Loan repayment**

The loan repayment period is the period within which the Client is obliged to return the loan principal together with all accrued interest rates and other costs. The repayment period begins upon the expiration of the loan use deadline or transfer of the loan into the repayment.

The method of the loan repayment is possible in annuities or installments, one - time, successively, semi - annually, quarterly, monthly or at irregular installments in accordance with the repayment dynamics contracted by the Credit product agreement.

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

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

The repayment plan is the loan repayment calculation showing the loan amount, the amount and number of annuities/installments, the loan repayment deadline, the nominal interest rate.

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

The Bank approves the credit products in the national or foreign currency.

The loans granted in the national currency are paid out and repaid in the national currency and the foreign currency loans are paid out and repaid in the contracted foreign currency. The obligations under other credit products contracted in a foreign currency are settled in the agreed foreign currency. If the Client does not provide funds in the contracted currency sufficient to settle the obligations under the credit product that are contracted in a foreign currency, but provides the funds in some other foreign currency, the Client will sell that foreign currency to the Bank at the buying rate of the exchange rates of the Bank for that currency and at the same time buy from the Bank the necessary amount of funds in the agreed currency at the selling rate of the Bank, applicable on the date of the settlement of liabilities under the credit product.

After receiving the Client's payment, the Bank will close its receivables within one loan account according to their type in the following order:

- receivables on other basis (costs: legal fees, notary fees, expert analysis, warnings and similar)
- receivables on the basis of fees

- receivables on the basis of default interest rate
- receivables on the basis of intercalary and regular interest rate
- receivables on the basis of the principal.

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

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

The Client shall pay to the Bank the interest rates, fees and other costs on credit products in the amount and as determined by the Credit product agreement and Internal documents of the Bank.

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

The Bank is obliged to inform the Client in writing of any change in interest rates or fees in relation to the one agreed with the Client. If the Client's credit obligation towards the Bank increases after the change in interest rates or fees, the Client may, within 30 days from the day of the Bank's notice about the change in interest rates or fees propose to the Bank the termination of that credit relationship by mutual agreement and settle all its obligations to the Bank. The absence of complaint within the specified deadline shall mean that the Client has agreed to the change in the interest rates or the fees.

The interest rates are expressed as a percentage on an annual basis and may be fixed or variable. They are calculated by the proportional calculation method and collected in accordance with the Credit product agreement and internal documents of the Bank.

The fixed interest rate is the same throughout the entire contracted credit relationship and does not depend on market conditions.

Variable interest rates are variable due to changes in the benchmark interest rates (eg. Euribor, NRS, SOFR etc.). The type, the date of application and the frequency of changes in variable interest rates are determined by the Credit product agreement between the Bank and the Client.

The benchmark interest rate is the interest rate used as the basis for calculating the interest rate to be applied and that arises from the publicly available source. If the interest rate is connected with the application of the benchmark interest rate (eg. Euribor, NRS, SOFR etc.), it is formed at the end of each accounting period for the following accounting period as the sum of the reference rate applicable on the first day of the current accounting period and the margin, unless otherwise regulated in the Credit product agreement. The benchmark interest rate (eg. Euribor, NRS, SOFR etc.) becomes valid two

business days after the date of disclosure so it will be determined two business days prior to the beginning of the accounting period.

The interest rates are calculated on the last day of the accounting period at their maturity.

The interest rates, fees and costs are calculated in the currency which is complied with the currency of the credit product. The interest rates, fees and costs on credit products that are contracted in the national currency are paid in the national currency and the interest rates, fees and costs on credit products that are contracted in the foreign currencies are paid in the agreed foreign currency. The Client may pay the calculated interest rates by payment to the Bank's account or the Bank may collect them by debiting the Client's account on the same day upon the completed calculation. With the contracted permitted overdrafts in the transaction accounts of the Client, the Bank will charge the interest rates solely by debiting the Client's account on the same day after the calculation is made.

If the Bank makes payments under the guarantee or the letter of credit, the Bank will calculate and charge the Client with the agreed fee for payment under the guarantee or the letter of credit in accordance with the acts of the Bank and will collect the paid out amount from the Client under the guarantee or the letter of credit increased by the default interest rate calculated from the disbursement date under the guarantee or the letter of credit until the date of the final collection from the Client.

### **6.5.1 Fees**

The Bank will calculate and charge all fees on credit products in accordance with the Credit product agreement and Internal documents of the Bank.

The application processing fee must be paid before or on the date of the first use of any credit product at the latest. If the payment of fees is agreed with the Client so that it is collected from the loan during the first loan use, the Bank will first collect the fee by offsetting the receivables and liabilities, and make the remaining amount of the loan available to the Client.

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

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

If the Client withdraws of the approved credit product before the first use the Bank will calculate the agreed fee for processing the application and terminate the Credit product agreement.

If the Client fails to submit all collateral and/or does not fulfill all contracted obligations after the conclusion of the Credit product agreement or until the final deadline of the loan use, it shall be deemed that the Client has withdrawn from the credit product and that the Bank has the right to calculate and collect the contracted fee for processing the application and terminate the Credit product agreement.

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

### **6.5.2 Regular interest rate**

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

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

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

The Bank will calculate the increased interest rate in relation to the contracted rate to the amount of the used but unpaid loan amount from the maturity date until the payment collection date and depending on how an individual agreement is regulated, in the amount pursuant to the Credit product agreement and Internal documents of the Bank.

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

### **6.5.3 Intercalary interest rate**

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

### **6.5.4 Effective interest rate**

The effective interest rate (EKS) is an indicator of the total price of the loan that the Client pays to the Bank. In addition to the regular interest rate, the amount of the effective interest rate is also influenced by the fee amount, the loan repayment period, the amount of the possibly required guarantee deposit or share, etc. The effective interest rate is calculated in accordance with the provisions of the Croatian National Bank. The cost of estimates, certification by a notary public, court and other charges do not enter into the calculation of the effective interest rate.



### **6.5.5 Default interest rate**

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

## **6.6. Collateral**

The Client can start with the use of the approved and contracted credit product after submitting to the Bank all contracted collateral and the fulfillment of all contracted obligations. Contracting the collateral depends on the type, purpose and the amount of the credit product.

The contracted collateral are means of insurance for returning receivables of the Bank obliged to be submitted by the Client and other participants in the credit relationship to the Bank in accordance with the Credit product agreement and Internal documents of the Bank.

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

In accordance with the legal regulations and internal documents of the Bank, the Bank is entitled, during the term of the credit product, to review the value of the property/request the new valuation of the property that is subject to insurance, at the expense of the Client. The Client is obliged to allow the Bank the monitoring and the estimate of the quality of collateral during the entire business relationship period at its own cost.

If the Client does not deliver to the Bank the revised/new estimate of the value of the property subject to insurance, the Bank has the right to cancel the credit product or make a review/estimate at the expense of the Client and increase the Client's obligation to the Bank by the costs thereof.

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

The Bank is entitled to enforce and implement any contracted collateral, in any order, at its own choice and without any special notice and approval by the Client.

If the Client does not pay the due amount at maturity, the Bank may, on the basis of a bill of exchange and a promissory note, submit an order for the collection of debt from the Client's account, in accordance with the regulations governing the matter in question.

If the Client and/or Guarantor Payer does not fulfil any individual obligation under the Credit product agreement, the Bank is authorized to collect all due receivables on the basis of the Credit product agreement, particularly on the basis of the principal, regular interest rate, default interest rate, fees and costs, by means of promissory notes provided as collateral of the credit product agreement even prior the cancellation or the termination of the credit product agreement, without submitting a warning or a notice.

By signing the Credit product agreement or the bill of exchange statement, the participant in the credit relationship shall, as a debtor under the bill of exchange, explicitly and irrevocably authorize the Bank in a separate document to use any submitted bills of exchange for the purpose of the collection of due uncollected receivables in accordance with the Credit product agreement and to use any bill of exchange submitted to the Bank for the purpose of the collection of due uncollected receivables of the Bank during the entire time of the existence of the obligations under the same agreement. By signing the Credit product agreement or the bill of exchange statement, the participant in the credit relationship shall, further as the debtor under the bill of exchange, irrevocably authorize the Bank in a separate document to fill any submitted bill of exchange in the due amount of uncollected receivables at the time of enforcement of the bill of exchange and entitle the Bank to enter the due date and all other missing data in the bill of exchange, including the date of issue, its assignment to the Bank or other banks and submission to the Bank or some other bank for the collection.

Regardless of the provisions of each deposit agreement, the Bank may cancel the term deposit of the Client before the expiration of the contracted maturity deadline for the purpose of settling its due claims which it has against the Client on any grounds. If the Client has not settled any due obligation to the Bank, the Bank has the right to deny the Client the disposal of deposited funds.

If the new collateral are introduced by the Bank's regulations or internal documents during the credit relationship between the Bank and the Client due to changes in the level of risk or the value of collateral, the Client shall, at the Bank's request, immediately upon the written call, submit such collateral to the Bank. The Bank may subsequently, until the complete collection of the loan, request other collateral from the Client. The Client is obliged to replace the used collateral with the new at the first call by the Bank.

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

The Bank is authorized to conduct financial and technical control and general supervision of the specific purpose use of the loan. The control of the specific purpose use of the loan is carried out through the payment documentation, the control in the field and any possible contracting of financial/construction supervision via the company with the authorized persons for carrying out such supervision at the Client's expense. Any prevention of exercising these powers entitle the Bank to terminate the Credit product

agreement, make the entire claim due and request the payment of the entire debt amount without providing any particular deadline.

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

Any of the following cases are considered, in addition to others, as non-fulfillment of the obligations under the Credit product agreement:

- a) **Failure to meet the payment obligation:** If the Client does not meet any payment obligation under the credit product at maturity;
- b) **Inaccuracy of data:** If it turns out that any Statement or guarantee referred to in Item 4.1 of these General Terms and Conditions given or repeated by the Client in any financing document or in any notice delivered pursuant to the Credit product agreement, was not correct in any material respect at the time in which it was given or re-given, and if the said violation is not corrected within eight (8) working days if such violation can be corrected;
- c) **Violation of financial obligations:** If the Client fails to comply with any contract obligation or any other financial obligation assumed by the Credit product agreement;
- d) **Violation of other obligations:** If the Client fails to comply with any other obligation arising from the financing documents and if the failure or the violation which can be corrected is not corrected within ten (10) working days;
- e) **Lawsuits and other proceedings:** If any court, administrative, arbitration or other proceedings related to movable or immovable property are initiated against the Client (except for valueless cases in which the lawsuits or the claims are dismissed, withdrawn or rejected within the period of 30 business days after its initiation), the outcome of which may have significantly unfavourable change and impact on activity or assets, business status or operations of the Client or could have a significant and adverse effect on the Client's ability to properly fulfill its obligations under the Credit product agreement;
- f) **Failure to settle debts:** If the Client suspends or threatens to suspend the payment of debts (without prior written consent of the Bank) or if he or she is not capable or it can reasonably be assessed that the Client is unable to settle its debts at maturity, or if something causes the impossibility of settlement of all or a part of debts to its creditors in general, or if any similar circumstances occur with the Client or its Connected persons;
- g) **Insolvency:** If the Client and/or its Connected persons become insolvent or the liquidation, bankruptcy or similar proceeding is open against them or if a bankruptcy trustee, an extraordinary trustee or a similar officer is appointed for the management of all or a part of their real property or assets;
- h) **Liquidation and Bankruptcy:** If the final court decision is made on initiating the bankruptcy or liquidation of the Client or Connected person (except for a voluntary liquidation for the purpose of merging, acquisition, conversion or restructuring, under which condition they are required to

obtain the approval of the Bank, whereby such consent will not be unreasonably denied or postponed), or if the Client either suspends payments of all or a significant part of its obligations or threatens to suspend the performance of all or the part of its activity, or if anything similar to any of the above mentioned occurs based on the law without the Client obtaining thereby the consent of the Bank;

- i) **Interim measures:** If any interim measure, order, judgment or decision is made, which, in the assessment by the Bank as creditor, significantly and adversely affects or might affect the Client's ability to continue carrying out its activity or that might endanger the Client's ability to fulfil the contracted obligations;
- j) **Change of Membership:** If parent companies or shareholders/holders of the business units (Connected persons of the Client) reduce their business holding or shares in the Client or transfer them to a third party without the written consent of the Bank;
- k) **Force Majeure:** If the Client is unable to perform or fulfill its obligations under this Credit product agreement due to force majeure;
- l) **Significantly unfavourable change:** If there is any **Significantly unfavourable change** or the circumstance arise that, according to the Bank's objective assessment, have or might have significantly unfavourable impact on the Client's ability as a whole or on a consolidated basis to duly execute or fulfill any obligation under the Credit product agreement or other significantly unfavourable change in the financial position, liabilities, assets or business of the Client;
- m) **Revocation of concessions, consents and permissions:** If the competent state or any other authorized body undertakes any measure for the purpose of revoking the licenses, concessions, agreements, exemptions, authorizations, consents or approvals approved to the Client, which would prevent the Client to perform all or almost all of its activities, or would prevent the Client to perform or fulfil any of its obligation based on the financing documents;
- n) **Enforcement and other enforced proceedings:** If enforcement, prohibition or other enforced action is initiated, executed or conducted on or against any property of the Client and if such proceedings are not dismissed nor suspended within fifteen (15) days from the date of initiating;
- o) **Occurrence of damage:** A complete defect or, in the Bank's reasonable assessment, a significant damage of a substantial part of the Client's property, unless there has been full compensation within one (1) month either by the insurer, third parties or the Client itself, so that any shortfall in the Client's property has been eliminated by the mentioned compensations;
- p) **Violation of Statements and Guarantees:** Any other significant violation of Statements and Guarantees under Article 4.1. of these General Terms and Conditions;
- r) **Cancellation or termination of the collateral agreement:** Cancellation or termination of any agreement by which the collateral are established, that have not been renewed or restored within eight (8) days from the occurrence of the cause of the cancellation or the termination;

- s) **Omission of all legal actions to the Tax Administration:** Omission of all legal actions to the Tax Administration for the return of the value added tax or any failure of settlement of tax liabilities to the Tax Administration that adversely affect or might adversely affect the Client.

The case of non-fulfillment of the obligations of the Client are deemed to have occurred if such circumstances have also occurred on the side of the guarantor payers, co-debtors, pledged debtors and similar or persons under Item 6.6. of these General Terms and Conditions, whereby the Bank is authorized to act in such a way as to maximally safeguard its interests until the cancellation of the credit product or the request for the realization of other collateral in accordance with these General Terms and Conditions and Credit product agreement.

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

The Bank is entitled to cancel any Credit product agreement or all Credit product agreements if the Client breaches any contracted obligation and/or any provision of these General Terms and Conditions.

At the moment of the cancellation of the Credit product agreement, the total receivables that the Client owns or will owe to the Bank upon the cancelled Credit product agreement shall be due and the Bank has the right to enforce all available collateral provided for in the Credit product agreement. In this case, the Client undertakes to pay to the Bank the due receivables amount, without delay, at the Bank's first call and within the given deadline.

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

In case of the cancellation of the Credit product agreement, the Bank will send a written notice to the Client that due to the Client's failure or breach of the contract obligations, it is in arrears with the fulfillment of the contractual obligations, with the specification of the total due claim and with the request for the payment of the Bank's due claim within 8 (eight) calendar days.

The Bank shall deliver the notice on the cancellation to all participants in the credit relationship by the registered post mail to the address from the Credit product agreement or the contact address of the Client. It shall be deemed that the payment deadline begins on the day of submitting the written post mail to the post office, regardless of the fact whether the same is also handed to the Client. The Credit product agreement shall be deemed canceled after the expiration of the period of eight (8) calendar days from the day of the submission of the written post mail to the post office, regardless of the fact whether it was also handed to the Client.

The Bank has the right to cancel the Credit product agreement and make the entire receivables due and request the collection even before the expiration of the deadlines contracted for the return of the credit product at the moment and after the occurrence of any of the following cases („**Cancellation reasons**“):

1. if the Client does not abide by the provisions of these General Terms and Conditions on the credit product;
2. if the Client does not execute contractual obligations within the agreed deadlines;

3. in the event of the occurrence of any case of the failure to meet the obligations as specified in Item 6.8. of these General Terms and Conditions;
4. if the Client is late in payment for longer than 15 (fifteen) days with the fulfillment of any non-monetary liability under the Credit product agreement;
5. if the Client does not use the credit product according to the purpose for which it was approved and contracted and prevents the Bank to control the specific purpose use of the credit product;
6. if the Client does not pay two consecutive due annuities;
7. if the Client does not maintain the creditworthiness, liquidity and solvency;
8. if the bankruptcy, pre-bankruptcy, enforcement or other proceedings are initiated against or in connection with the Client over the Client's property used to secure the loan (which also applies to persons under Item 6.6 of these General Terms and Conditions);
9. if any other proceeding is initiated against or in connection with the Client, the course or outcome of which could, according to the Bank's objective estimate, threaten the Client's ability to duly perform its contract obligations or if the option of initiating such a proceeding is objectively prevented;
10. if the Bank determines that the Client, other participants in the credit relationship or persons under Item 6.6. of these General Terms and Conditions provided incomplete, inaccurate or false statements and other information about themselves and their operations;
11. if the Client, without a prior written consent of the Bank, guarantees in any form for the settlement of the obligations of any third party (solidary obligations, guaranties, bills of exchange etc.);
12. if the Client approves short-term or long-term borrowings, grants, subsidies or acquires debt securities of any third party without a prior written consent of the Bank;
13. if there is additional indebtedness of the Client without a prior written consent of the Bank;
14. in the event of the violation of the financial contract obligations arising from the Credit product agreement;
15. if the shareholder and/or holder of a business holding (Connected person) of the Client sells to a third party the entire or the part of its business share in the Client without a prior written consent of the Bank;
16. in the event that an objective threat has occurred or is imminent of circumstances that the Bank can reasonably assume that such circumstances may negatively affect the Client's ability to duly fulfill the obligations under the Credit product agreement;

17. if, for any reason, the collateral under the Credit product agreement is reduced, loses legal validity or ceases to provide sufficient insurance for the Client's obligations under the Credit product agreement or if the Client does not provide additional or new collateral at the Bank's call;
18. if the Bank establishes or finds out that the Client fails to comply with the provisions of Anti-Money Laundering and Terrorism Financing Law (Official Gazette NN 108/17) and any future amendments to the Law;
19. if the Client brings the Bank in an unfavourable position in relation to other creditors/lenders in terms of the execution of the obligations under the Credit product agreement;
20. if the Client brings the Bank in an unfavourable position in relation to other creditors/lenders under any other agreement or legal transaction with the Bank;
21. if the Client ceases to regularly fulfill the obligations undertaken on the basis of some other legal transaction concluded with the Bank;
22. if the Client does not fulfill its obligations against the state and suppliers;
23. if the Client establishes new companies or acquires ownership in companies by buying shares or holdings or participates in the status changes without a prior written consent of the Bank;
24. if the Client prevents the Bank to review the stock of goods, business books and financial operations at any time during the credit relationship;
25. if all participants in the credit relationship had not maintained creditworthiness, liquidity and solvency during the entire term of the credit agreement;
26. if the Client did not submit financial reports to the Bank on the operations with the regulated appendices within the deadline specified in the General Terms and Conditions and other financial documentation at the request of the Bank. The same obligation applies to all participants in the credit relationship;
27. if the Client had not renewed the property insurance policy with the established lien
28. If the Client had not delivered the new estimate or a revision of the property valuation with the established lien to the Bank
29. if the Client did not, at the request of the Bank, submit the collateral and the agreed number of bills of exchange and promissory notes in order to settle the claims and allow the Bank to assess the collateral for the entire term of the credit relationship. The same obligation applies to all participants in the credit relationship;
30. if the Client did not manage the bookkeeping orderly and up to date
31. if the Client did not abide by the laws and regulations in its operations

32. if the Client failed to inform the Bank of any further credit indebtedness with other financial institutions and the loans with other persons;
33. if the Client as an assignor (or another Bank's co-contractor who is also an assignor) has changed with the debtor the terms and conditions of the contract from which the claim assigned to the Bank arises, without informing the Bank of these changes and requesting its prior consent;
34. if the business accounts of the Client, co debtor, guarantor or any other Bank's co-contractor are blocked;
35. if the participants in the credit relationship initiate or become the parties in the court or other proceeding against the Bank;

The Bank is entitled to cancel this Credit product agreement even in the event of the failure to meet the obligations by third parties thus bringing the Bank into especially unfavourable position, which will particularly be considered to be the occurrence of the following circumstances:

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

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

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

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

The Bank is authorized to terminate any Credit product agreement, **without providing a specific deadline**, by a one-sided statement addressed to the Client or any other contracting party (co-debtor, guarantor or other Bank's co-contractor) by the registered post mail and/or e-mail and thus make the entire claim due, especially in cases of the occurrence of the Cancellation reasons set out in Items 8, 9, 10, 16, 17, 29, 30, 33 and 34 of Item 6.9 of the General Terms and Conditions and in case of a longer illiquidity of the participants in the credit relationship or in case of not executing or unduly execution of any obligation under the Credit product agreement or in case of any failure to fulfill obligations as set out in



Item 6.8. of these General Terms and Conditions. In the event of the termination of the Agreement in accordance with this paragraph, the Bank shall enforce all means of collateral on the same day, including sending the promissory note for the collection at FINA.

The Client may cancel the Credit product agreement by the notice letter with the obligation of payment of all obligations under the Credit product agreement, in which case the provisions of these General Terms and Conditions regulating the early loan repayment shall apply.

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

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

The Bank may, without a prior consent of the participants in the credit relationship and in order to collect its due receivables, hold all funds which the participants in the credit relationship keep with their accounts with the Bank, whether a vista, purpose or non-purpose term deposits, foreign currency inflows or on any other grounds until the complete collection of due receivables of the Bank. In this case, the Bank shall submit the written Statement of a one-sided set-off to the participant in the credit relationship.

#### **6.11. Contracting authority**

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

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

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

The Client may make an early full or partial repayment of the loan even before the expiration of the contracted deadline but is required to notify the Bank of this no later than eight (8) calendar days prior to the intended date of return of the loan. In this case, the Client is obliged to pay the fee for the early loan repayment to the Bank in the amount determined by Internal documents of the Bank, unless otherwise agreed.

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

If the Client believes that the Bank violated some of the Client's right during the credit relationship, the Client shall immediately and no later than 30 days from the event/situation deliver to the Bank a written complaint and the Bank shall respond in writing within the appropriate period.

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

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

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

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

The Bank may at any time transfer, assign and/or further syndicate its rights and obligations under the Credit product agreement to a third party without a special consent of the Client.

In case of such further transfer or syndication referred in the preceding paragraph of this Item, the transferee of rights and obligations will join the Credit product agreement and become the new Loan provider under the Credit product agreement as if appointed the party to the agreement on the day of the conclusion of this Credit product agreement and will have the same rights, claims, status, interest rates and contract position on a pro rata basis or in full as a transferor of such rights and obligations.

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

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

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

In case of any dispute arising from the credit relationship between the Bank and the Client, the court *ratione materiae* according to the headquarters of the Bank shall have jurisdiction.

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

## **7. DEPOSIT OPERATIONS**

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

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

The deposit term period is the period for which the Client deposits funds according to the pre-agreed conditions with the Bank. The deposit term period with the term deposits starts on the day of the conclusion of the Deposit Agreement and expires on the expiration of the last day of the contracted deposit term.

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

The funds may be deposited in the national or foreign currency.

The Bank will pay the interest rate on deposits contracted by an individual Deposit Agreement. The contracted interest rate is calculated to the deposited funds from the date of depositing funds until the date of the expiration of the contracted deposit term.

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

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

The Client has the right to terminate the Deposit Agreement even before the expiration of the contracted term, unless agreed otherwise by clause, and provided that all other obligations of the Client to the Bank are fulfilled. When the deposit is provided as collateral, the Client can not terminate the Deposit Agreement before entirely paying off for the secured claim. In case of early termination of the term deposit at the request of the Client, the applicable interest rate on a vista deposits shall apply to the deposit amount and the realized number of days of the term deposit, unless agreed otherwise.

## **8. TRANSITIONAL AND FINAL PROVISIONS**

General Terms and Conditions are an integral part of the individual agreement concluded with the Client and some business relationships are also subject to other Internal documents of the Bank. In case of the collision of individual agreements, General Terms and Conditions and other Internal documents of the Bank, the provisions of the individual agreements will first be applied, then Internal documents of the Bank and finally General Terms and Conditions, unless agreed otherwise.

General Terms and Conditions are made in a written form and they are available in each business unit of the Bank and the Bank's website.

By submitting any application to the Bank, executing any transaction or any other business with the Bank, the Client confirms to be aware of and agrees with the content of the General Terms and Conditions and Internal documents of the Bank regulating the operations of the Bank in relation to the product or a service used or requested by the Client as well as with their possible amendments, and accepts the rights and obligations assigned on such basis.

The Bank shall make available any amendments to these General Terms and Conditions in the business units of the Bank and on its website at least fifteen (15) days prior to their entering into force.

If the Client fails to submit the written comments on changes and amendments within 15 days of the notice day, it shall be deemed that the Client accepted them.

If any of the provisions of these General Terms and Conditions is subsequently determined to be null and void, this fact will have no impact on other provisions of these General Terms and Conditions. They will remain entirely valid provided that the Bank undertakes to replace the null and void provision with the valid which will, to the greatest extent possible, enable the achievement of the objective which was intended to be achieved by the provision determined to be null and void.

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

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These General Terms and Conditions shall enter into force on 1 January 2025. They will be available on the Bank's website. The Clients who entered into the Credit product agreement with the Bank prior to the effective date of these Terms and Conditions may request the termination of the Credit product agreement no later than by the day of the application of these General Terms and Conditions, provided that they previously fulfil all obligations to the Bank.

These General Terms and Conditions shall also apply to all open Credit product agreements concluded by the day of the entry into force of these General Terms and Conditions unless the Client, due to non-acceptance of the same provisions, requests in writing the termination of the Credit product agreement concluded prior to the entry into force of these General Terms and Conditions and provided that the Client previously meets all its liabilities to the Bank.

The General Terms and Conditions of KentBank d.d. in credit and deposit operations with business entities of 25 September 2023 shall cease to apply with the entry into force of these General Terms and Conditions.