

1. Introduction

Methodology of Manner and Sequence of Closing Receivables (hereinafter: "the Methodology") sets the sequence of closing receivables by Erste Card Club d.d. (hereinafter: "ECC") in cases when otherwise specified by Special Provisions of the Blanket Agreement on Issuing and Using Cards Issued by ECC or special agreement on individual ECC credit product.

Methodology is accepted by the Company Management Board, and it is published at www.erstecardclub.hr, or available at the Company headquarters.

Elements taken into consideration when establishing the sequence of closing receivables are the following: receivables due date, receivables insurance, receivables maturity, currency clause, payment receivables type (cost, interest, principal).

2. Receivables Due Date

When paying any debt amount smaller than matured debt amount, the oldest due date receivable is settled first. All receivables of a single Bill shall be receivables with a same due date. When closing receivables of the same due date, the sequence is defined in accordance with the type of receivables.

3. Receivables Insurance

In accordance with this Methodology, secured receivables are receivables that have an issued collateral, a signed guarantee agreement or co-guarantee agreement for their settlement. Unsecured receivables have advantage before secured receivables in closing sequence.

4. Receivables Maturity

For the purposes of this Methodology, long-term receivables are receivables with total debt repayment period longer than 12 months. For the purposes of this Methodology, short-term receivables are receivables with total debt repayment period up to 12 months (12th month inclusive).

Long-term receivables have advantage before short-term receivables in closing sequence.

5. Currency Clause

For the purposes of this Methodology, currency clause receivables are receivables the amount of which is in Kuna against a chosen foreign currency on the date of the receivable was created and the day it was settled.

Currency clause receivables have advantage before receivables without a currency clause in closing sequence.

6. Payment Receivables Type

By paying any amount of debt which is smaller than the amount of matured dent amount, receivables costs are settled first, followed by receivables interests and, finally, principal.

6.1 Costs - Costs settled first by partial payment are court, public-notary and attorney fees related to the settlement of ECC receivables.

6.2 Interests - Contracted interests have the advantage before statutory interests in closing sequence with partial payment.

6.3 Principal - After closing receivables costs and interests related to receivables, receivables principal is closed in the following sequence: 1 Cash loan principal; 2 Consumer loan principal; 3 Diners Club Plus Card loan principal; 4 Repayment by instalments; 5 ECC costs; 6 One-time costs / withdrawn cash; 7 The smallest required repayment amount under the Revolving Loan Agreement.

7. Examples of Sequence of Closing Receivables

Pursuant to the elements under items 2 to 6 of this Methodology, closing sequence for ECC receivables is the following:

1. Unsecured receivables with currency clause - long-term
2. Unsecured receivables with currency clause - short-term
3. Unsecured receivables in Kuna - long-term
4. Unsecured receivables in Kuna - short-term
5. Secured receivables with currency clause - long-term
6. Secured receivables with currency clause - short-term
7. Secured receivables in Kuna - long-term
8. Secured receivables in Kuna - short-term

8. Closing Sequence for Receivables from Claim / Enforced Payment Date

In case of a claim / enforced payment proceedings, the ECC can change the sequence of closing receivables, but only in a manner favourable for the debtor.

9. Change of Method of Manner and Sequence of Receivables

If the change of method of manner and sequence of receivables is required, the Risk Division will prepare a proposal for the Management Board for the adoption of said change. New method proposal will be agreed upon by Membership Sales Division, Accounting and Financing Division, Legal Division and other organizational units Risk Division deems necessary.

Clients will be informed by the Client Relationship Division in accordance with the applicable regulations.

10. Final Provisions

This Methodology is a constituting part of the ECC Business Standard Documentation Collection and shall become effective on the date of its adoption by the ECC Management Board. All deviations from prescribed elements under this document are under the authority of the ECC Management Board.

Failure to comply with the prescribed ECC business standards shall be deemed a serious breach of contractual relationship.