

Erste Bank AD Podgorica

GENERAL TERMS OF BUSINESS

(revised text, to be applied as of 15.12.2021.)

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GENERAL PROVISIONS**Article 1**

The General Terms of Business of Erste Bank AD Podgorica (hereinafter: General Terms) shall define:

- standard operating conditions applicable to all Erste Bank AD Podgorica clients (hereinafter: the Bank),
- general conditions for establishing relation between the Clients and the Bank,
- communication procedure between the Clients and the Bank,
- general terms and conditions for transactions between the Clients and the Bank,
- general terms and conditions regarding the Bank's products and services and their prices according to the Bank's Client categories
- and other issues of interest for the Bank's operation with the clients.

Article 2

The Bank undertakes to make the General Terms available by displaying them at the Bank's points of sale, and by publishing them on the Bank's official Internet presentation www.erstebank.me.

It is deemed that the Client is informed on the content of the General Terms published in this manner.

If a legal matter in individual legal relations between the Bank and the Client is not explicitly regulated otherwise, such business relations shall be regulated by the provisions of the General Terms, as well as other Bank's general and specific acts, defining specific areas of business in more detail.

Pursuant to the previous paragraph, in cases of non-compliance of the provisions of an individual agreement entered into between the Bank and a client, for the purpose of use of products and services, with the provisions of the General Terms or other Bank's specific and general acts, the provisions of the such individual agreement shall be binding first, followed by the provisions of other Bank's acts defining specific areas of business, aimed at implementing the General Terms, unless otherwise regulated by the individual agreement, and then the provisions of the General Terms.

Article 3

The provisions of the General Terms shall be effective to the extent to which they have not been otherwise stated for other Bank's products and services. The Bank shall assume obligation towards clients only within the General Terms, unless otherwise explicitly agreed in writing.

The General Terms shall apply to the relations between the Client and the Bank based on:

- request or any other type of application signed by the Client,
- agreement in writing between the Client and the Bank,
- other forms of business cooperation between the Client and the Bank where the agreement is not entered into in compliance with the Bank's regulations and acts.

Article 4

Prior to entering into agreement with the Bank, the Client shall carefully read all conditions offered by the Bank, contained in the Bank's written documents, starting from the General Terms, texts of agreements, annexes and appendices to the agreements, delivered to it by the Bank with the aim to conclude a specific legal business.

The Client is entitled to be informed regularly of any changes in the conditions offered by the Bank and to request any additional relevant information and explanations from the Bank.

The Bank's Client may ask the Bank for relevant explanations and verbal instructions relating to the application of the General Terms, and the Bank shall provide it with the relevant explanations and instructions, and it shall submit, at the Client's request, these requirements in writing or in any other form of permanent data carrier or submit them personally at the Bank's points of sale.

The Client is also entitled to request from the Bank written information on the general terms of business relating to the Bank's service for which it is interested or relating to the business relation it has with the Bank.

BANK'S CLIENTS

Bank's Client definition

Article 5

A Bank's Client is any entity (natural person, entrepreneur, legal person, resident or non-resident) that uses Bank's products and services or that has addressed the Bank for the purpose of using the products and services and has been identified as such by the Bank.

Client identification

Article 6

In order to apply regulations governing anti-money laundering and anti-terrorist financing, protection of own interests as well as the clients' interests and aimed at effective assessment of the Client's needs, the Bank shall implement procedures providing for Client identification.

The Bank may perform identification of the Client or an authorized person by establishing their identity based on valid personal identity documents, in accordance with the law and the Bank's internal acts.

The necessary documentation to be submitted by the Client shall be presented by the Bank on its Internet presentation as well as on the Bank's teller desks in the form of a list of documentation required to open a specific type of account.

The list of documentation shall also include the method of submitting the documents (original, copy, etc.), as well as how old the document may be, method of certification and other important elements the Client shall adhere when submitting the documentation.

The Bank shall reserve the right to reject business cooperation with the Client in case the submitted documentation is not in line with the Bank's request.

In addition to the documentation list, the Bank shall reserve the right to request additional documentation and information from the Client as a condition for establishing the business cooperation.

Client Assessment

Article 7

The Bank shall have the right to free selection of clients, i.e. to decide freely whether to enter into business relation with the Client.

Inquiry about debts of the Client that the Bank obtains from the Credit Registry of the Central Bank of Montenegro may be sent upon previous written consent of the Client. Based on the data from this enquiry, the Bank verifies the balance of the Client's total debts. The aim of this verification is to assess

actual ability of the Client to go into more debts, without compromising its financial position. Final decision on provision of service shall be made by the Bank.

The Bank shall have the right to restrain from establishing of business relation with the Client and to refuse to execute a transaction, and it shall have the possibility to terminate the existing business relation in the event that the Client fails to submit complete or updated documentation, and in the event that it is not possible to determine the identity of the real owner of the legal person applying for the Bank's products and services in a satisfactory manner.

The Bank shall also have the right to reject entering into agreement and/or provision of service to a Client based on assessment of the Bank's expert departments. Also, the Bank shall have the right to suspend possibility to use specific services and/or products without the Client's consent, in accordance with the regulations governing anti-money laundering and anti-terrorist financing, and in accordance with its internal acts.

The Bank shall have the right to use the assets in the clients' accounts without special consent from the client, namely:

- in the procedure of forced collection, payments upon final court decisions and regulatory authority decisions;
- to rectify an error, as referred to in the applicable law regulating the field of payment operations in the country;
- in other cases prescribed by law.

CLIENT'S RESPONSIBILITIES

Notification of the Bank

Article 8

The Client-natural person shall notify the Bank immediately of any changes in its name and surname, home address, employer's address and any other changes relevant for smooth business between the Client and the Bank, and not later than 3 days from the occurrence of the change.

The Client shall notify the Bank of changes registered with the relevant authorities (Central Register of the Commercial Court, Tax Authority etc.), which are relevant for smooth business between the Client and the Bank, submitting thereby evidence of the change, within 3 days from obtaining decision on registering of the change.

The Client shall also notify the Bank of the change in all data previously reported to the Bank by the Client as relevant for the delivery of notifications and information, which are not included in the officially registered data relating to the Client, otherwise the Bank shall not bear the consequences of non-reporting of such changes. The foregoing particularly refers to the contact information reported for the purpose of notifying the Client by the Bank in accordance with the regulations and these General Terms, and to any other notifications which are in the best interest of the Client and the Bank and which include postal address, phone number, e-mail address and similar.

The Client shall also respond to a call for interview, whenever it is estimated by the Bank as necessary and thus provide the relevant information to the Bank.

The Client shall be liable for any damage originating from non-compliance with the obligation to notify the Bank.

Authorisation**Article 9**

In cases when taking certain legal actions does not require exclusively its personal presence, the Client may provide an authorisation to a third person to take such actions on its behalf and for its account, and such authorisation is provided in the manner and under terms specified in the Bank's procedures and legal regulations governing this legal matter.

The Client shall provide the authorisation in writing, which also refers to all its amendments or revoking, whereby, if imperative legal regulation requires so or in the case of protection of legal security, the Bank may ask from the Client to conduct provision of specific types of authorisations in personal presence of the Client and the proxy in the Bank's premises and/or to provide such authorisation in the form applied officially by the Bank in its operations.

If it is not contrary to legal regulations and the Bank's procedures, the Client or its proxy may submit to the Bank an authorisation previously prepared in writing and certified in accordance with the regulations, provided that such authorisation, in the Bank's opinion, in its form and content includes all that is required to act upon it.

The proxy representing the Client in its business with the Bank shall present, in addition to the given authorisation, its identification document for inspection by a Bank's officer, and a copy of such presented identification document may be kept by the Bank in its documentation.

The given authorisation shall be terminated:

- in case of death of the Client or the proxy holder, or in case of their winding-up if the Client or the proxy is a legal person, whereby effect of such termination of authorisation for the Bank begins only after it receives a written notification of the occurrence of such fact from the Client or its legal successor, accompanied by evidence confirming the death, or winding-up of the Client and/or Proxy;
- upon expiry of the term for which the authorisation was given;
- upon revocation/cancellation of the authorisation.

The Bank retains its discretionary right to refuse in any case taking of any legal action by the proxy, if it has founded doubts in validity or authenticity of the submitted authorisation.

In any case, the Bank shall not have the obligation to verify validity or authenticity of authorisation given in accordance with these terms or other Bank's procedures, and it shall not be held responsible by the Client for any damage, if it had taken any legal actions based on such delivered authorisation in good intention, as a conscientious person and a good businessman.

Orders to the Bank**Article 10**

The Client's orders to the Bank must be legible, clear and unambiguous, provided in writing or otherwise, in conformity with the applicable legal and other regulations and the Bank's acts.

If the Bank believes it is not able to execute the order, it shall notify the Client thereof within reasonable period.

The Bank shall not be liable for any damage occurring due to execution of the order, if the damage has been caused by the need of additional checking of insufficiently precise orders.

The Bank shall not be liable for any damage if the order realisation has been undertaken with due care, in accordance with the rules of banking operations.

Article 11

The Client shall complete the Bank's forms fully when this is necessary to immediately ensure proceeding according to the order included in the form.

The Bank shall have the right not to execute the orders if the orders are provided in the forms not composed or approved by the Bank. In case of incorrect or incomplete information submitted to the Bank by the Client, the Bank shall not be liable for any loss or damage resulting from such information.

Article 12

The Client shall, without any delay, check the correctness and completeness of the statement of transaction account or other account, as well as all other reports and notifications received from the Bank, and, with the aim to harmonize/correct any noticed irregularities, it shall notify the Bank thereof in a timely manner.

Clients' Complaints and other Objections**Article 13**

If the Client believes that the Bank is not complying with the obligations from the concluded Agreement, good business practice, and the General Terms, it may send a complaint to the Bank, in writing, electronically, or directly in line with internal Bank's procedure on the method of proceeding regarding Clients' complaints.

Client can file a complaint by filling out the on-line form which is available on the Bank's official web site. Client can also fill out the form "Because your opinion comes first to us" which is available in every branch of the Bank. Complain can also be sent to the Bank's address: Erste Bank AD Podgorica, Marketing Department, Studentska bb, 81000 Podgorica.

Collateral**Article 14**

The Client shall, upon the Bank's request, provide adequate security instruments for the Bank's receivables (hereinafter: collateral).

The Bank shall determine the type and acceptable value of collateral, in accordance with the regulations and internal acts.

The Bank shall accept the following types of collateral:

- a) promissory note;
- b) administrative order;
- c) bill of exchange;
- d) mortgage;
- e) fiduciary transfer of title (fiduciary)
- f) pledges on movable property;
- g) pledges on securities;
- h) lien on funds (cash collateral);
- i) collection authorisation;
- j) collateral;
- k) security cession;
- l) guarantee;

- m) insurance policy;
- n) other types of collateral acceptable for the Bank, in accordance with the decision of the Bank's competent authority.

For a loan or other arrangement to be approved, the Client shall first deliver to the Bank, in its discretionary assessment, the safest security instruments ensuring timely fulfilment of its obligations in accordance with the law, business policy and the Bank's acts.

The Bank shall decide which security instruments are the safest for securing timely fulfilment of the Client's obligations towards the Bank.

Article 15

If the collateral provided by the Client is insufficient, due to certain legal or material shortcomings, or if it becomes inadequate to cover the Client's current liabilities in the course of the duration of the agreed liability, the Client shall, upon the Bank's request, supplement or replace such collateral. Any such request shall be provided by the Bank in writing, stating of the reasons for its noting.

If the agreement relation between the Bank and the Client defines the collateral in the form of mortgage or pledge to movable property, the Client shall submit to the Bank the appropriate appraisal of the market value of the immovable and/or movable property and insure them and tie the insurance policy in favour of the Bank. The assessment/s of the immovable and/or movable property market value and the insurance/s of the subject of the pledged right and tying the policy in favour of the Bank shall be set out in the Bank's internal Acts. The appraisal validity shall be 3 (three) years from the date of the execution. The insurance of the immovable and/or movable property and tied policy shall be made for the entire period of the contractual relation between the Bank and the Client.

In the course of contractual relation both contractual parties can initiate swap of established collateral in accordance with regulations and internal acts of the Bank.

Failure to Fulfil Contractual Obligations by the Client and the Agreement Termination

Article 16

Should the Client is in default for any obligation towards the Bank, the Bank shall have the right to declare its receivables due and to require the single collection of the total receivables from the Client.

Article 17

The Bank shall be authorised to collect the amount of its due receivables from the Client from all available assets found in any of the Client's accounts with the Bank.

Article 18

The Bank shall have the right to a refund of its costs for any possible legal action or other proceedings instituted for the purpose of collecting due receivables from the Client, in accordance with the decision of the court or the authority which conducted the proceedings.

Article 19

The Client and the Bank may terminate contractual relation in line with the provisions of the General Terms and Conditions and in line with individual conditions defined in the agreement.

In any case, by instituting court or other proceedings for the purpose of collection of due receivables, it shall be deemed that the Client is introduced to the termination of the contractual relation and thereby to the fact that the entire receivable amount has become due.

Upon the Client's request, the Bank shall make the notification about the reasons of the termination.

Article 20

If the Client's account (client – natural person) is inactive (no inflow or outflow) for over 18 months in continuity, the Bank may unilaterally close the Client's account, in accordance with the Bank's business decision.

When the client is legal person account can be closed (terminated) based on the written request or without the request if the legal person ceases to exist as the legal person in accordance with the law or other regulation (upon the conclusion of the bankruptcy or liquidation proceedings).

In operations relating to accounts of natural persons, the Bank retains the right to block outgoing payments from the Client's account in cases prescribed by law and the Bank's acts.

Article 21

With reference to all business relations the Bank may terminate contractual relation even if it is not explicitly defined in the agreement in the following cases:

- if the Client delivers incorrect data to the Bank which are of importance for entering into and continuing contractual relation;
- if the Client is not using the loan funds for the intended purpose,
- if the Client fails to meet at least one due obligation on time, including mature principals, interests and/or fees;
- if the Client fails to deliver or refuses to deliver, in accordance with the agreement or upon a written request from the Bank, without any justified reason in the Bank's opinion, any additional data or documentation that might affect the business relation between the Bank and the Client;
- if the Client fails to meet the requirements of the regulations and internal procedures of the Bank relating to the regulation in the field of customer information and anti-money laundering and anti-terrorist financing;
- If the client is a person under sanctions or is breaking regulation on Sanctions;
- If the client is breaching contract provisions related to individual loan placements with regard to Sanctions;
- If a request/lawsuit has been filed or if an action or investigation or proceedings have been initiated related to the implementation of Sanctions regulation from the body which is competent to introduce sanctions;
- in other cases in accordance with the applicable regulations and internal acts of the Bank.

In case when the agreement is terminated by the Bank, all Client's obligations under such agreement shall be deemed due.

Certain words used in this Article of the General Terms of Business have the following meaning

"Sanctions": means any economic or financial sanctions, restrictive measures or trade embargo pronounced, imposed or enforced as appropriate by the Sanctions Authority (laws, rules and regulations relating to them are referred to as **"Sanctions Laws"**).

"Authorized State": means at any time the country or territory, which is the subject of any State or territorial sanctions.

"Authorized person": means any individual or entity (a) which appears on any of the publicly available lists of specially designated nationals and blocked persons, or individuals or persons, entities or groups subject to sanctions issued by the sanctioning authority, as amended; (b) which operates, is structured or

has its registered office in a sanctioned country, (c) which is otherwise subject to sanctions and (d) owned or controlled or acting on behalf of any of the foregoing individuals or entities.

“Sanctions Authority” implies (a) The United Nations Security Council, (b) EU, (c) USA, (d) competent government institutions and agencies in any of the foregoing, and (e) any other competent governmental or regulatory authority, institution, agency imposing economic and financial sanctions, restrictive measures or trade embargo, including without limitation, the US Treasury Department's Office of Foreign Assets Control (OFAC).

RESPONSIBILITIES OF THE BANK

General provisions

Article 22

The Bank shall act with due respect in terms of meeting obligations within its business activities in accordance with the rules of banking business.

Public relation activities of the Bank shall be aimed at timely and true informing of the public about its financial status, types of services and quality of services, staff and capital resources.

Article 23

The Bank shall provide clear and understandable information to its clients, make them readily available and noticeable, both at the Bank's registered office and its other territorial operating units, through Internet presentation, by e-mail, e-banking platform and other communication channels.

The Bank shall ensure, upon the Client's request, information on the balance of his loan and/or deposit account, as well other information from the business relation of the Client and the Bank.

Article 24

The Bank shall not be liable for any damage resulting from the action of force majeure (armed conflicts, actions taken by national, foreign, or international authorities, boycott, strike, or other forms of work suspension caused by trade union action, power failure or cut-off of means of connection or equipment or software of the Bank or third parties) and other circumstances the Bank could not have foreseen or prevented.

The above mentioned in the previous paragraph of this Article shall also apply in case the Bank, due to justified reasons, discontinues or limits its business activity on particular days or for a definite period of time.

The Bank shall take all actions necessary to minimise or limit any impact that would cause damage to the client.

The Bank shall report the client's transactions to the relevant authority, in accordance with the provisions of the applicable law governing anti-money laundering and anti-terrorist financing.

Clients' Personal Data Protection

Article 25

With the aim to set up and maintain business relation with the Client, in the capacity of a personal data controller, in line with the provisions of the applicable law in the field of personal data protection, the Bank

needs to include and process in its database certain data relating to the Client, which are, in line with the applicable law, considered as personal data. The client data shall be stored and kept in electronic and other databases of the Bank and used only by the employees at the Bank authorised to use them, in accordance with the Bank's internal acts.

The Client shall grant its consent to the Bank to process its personal data, by signing a Request and/or Application for opening of an account, with the aim of identification, protection of the Client's ownership interests, and for other purposes relating to conclusion of an agreement on the use of the Bank's products and services, which also includes forwarding the data to third persons, in accordance with the applicable regulations, and use in the Bank's/Erste Bank Group's records, in the country and abroad and only for the time period required for the purpose of personal data processing, unless otherwise specified in the applicable regulations.

The Client may request from the Bank to allow it to examine certain data, as well as a copy of the data from business relation with the Bank, in line with the provisions of the applicable law on personal data protection.

Bank Secret

Article 26

The Bank shall keep the bank secret.

Bank secret shall include data prescribed by the applicable law in the field of bank operations, namely:

- the data on the owners and account numbers opened with the Bank;
- data on individual balance of deposits and turnover on individual accounts of legal and natural persons opened with the Bank;
- other data the Bank may obtain based on provision of its services to the Client.

The Bank and the members of its bodies, shareholders, employees and the employees of the Bank's Group members, as well as the Bank's external auditor and other persons who, due to the nature of their jobs, have access to the data that constitute a bank secret, may not disclose the data to third parties or use them contrary to the interest of the Bank and its clients, nor may they provide access to these data to third parties.

The obligation of keeping bank secret shall not cease even when the person's status on the basis of which he/she has gained access to the data that are bank secret is terminated.

The Bank may convey the data deemed to constitute a bank secret to third parties only with the client's approval in writing, unless otherwise prescribed by the law.

Article 27

There are exceptions from the obligation to keep bank secret if data are conveyed:

- to the Central Bank;
- to the relevant judicial authority;
- to authority in charge of anti-money laundering and anti-terrorist financing, in accordance with the applicable law regulating anti-money laundering and terrorist financing;
- to the Deposit Protection Fund, in accordance with the applicable law regulating deposit protection;
- information on the account number of a legal or natural person performing registered activity may be made available to the tax authority and to the Bank client's creditor who presents to the Bank a final court decision or other final documents specified by law;
- Information on solvency and loans that the Client has with the Bank can be disclosed to other bank or member of the banking group for the purpose of managing credit risk;

- information on credit debts of the Client with the Bank or repayment of the approved loan may be made available to third persons that have potential obligation towards the Bank based on such credit debt (endorsers, guarantors and similar)

Article 28

The Bank shall retain the right to forward data of its clients, including the data on accounts and other data known to the Bank to other Erste Group members or to third parties, with the aim of achieving quality and efficient data processing, reporting at the level of Erste Group, as well as for other business requirements of the Bank.

The Client agrees that the Bank shall, in such situations, have the right to transfer its data to other Erste Bank Group members or third parties. If the clients' data are transferred to other Erste Group members or third parties, the Bank shall ensure adequate treatment regarding the keeping of the confidentiality and integrity of the data of its clients, in compliance with the applicable regulations.

Business Communication between the Bank and the Client

Article 29

Written communication between the Bank and the Client shall be made to the address, postal and/or e-mail of which the Bank is notified by the Client.

In case the Client fails to notify the Bank in a timely manner on the change of its home address, domicile, seat, as well as other data that may affect regular delivery of the Bank's notifications, or if the data are incorrect or not updated, all Bank's notifications shall be deemed duly submitted if addressed to the Client's address last reported to the Bank, and the obligation of the Bank resulting from the notification shall be deemed executed:

- on the date of submission of the written material – mail to the post office for delivery,
- on the date of submission of the written material – mail to the company registered and hired by the Bank for delivery,
- on the date of the delivery made electronically in a permanent data carrier which enables data storing - e-mail, SMS which the client indicated as its contact information,
- on the date of the delivery in another manner as chosen by the Bank if not otherwise agreed with the Client.

In case the mail / e-mail delivered to the Client is returned to the Bank due to incorrect data provided to the Bank by the Client or non-updated data, the Bank may stop sending written/e-mails to the Client until the Client notifies the Bank on the change i.e. the exact data necessary for the mail delivery. If it is determined by the Bank that the registered numbers of phone, fax, e-mail address and other electronic contact addresses do not belong to the Client or that they are incorrect, the Bank shall no longer have the obligation to send notifications to the Client.

Communication between the Client and the Bank shall be made through information and marketing material, telephone contact, through internet presentation of the Bank, by mail, e-mail, by SMS service of mobile telephony, and direct verbal communication. Verbal communication shall be made at the Bank's teller desks, through Call Centre or through client advisors, and also through other Bank employees, as appropriate.

Article 30

The documents and notifications submitted to the Bank by the Client in a foreign language shall, upon the Bank's request, be submitted as certified translation in Montenegrin.

The documents, notifications, and orders submitted to the Bank by the Client must be clear, complete, and unambiguous, legibly filled in/written, as well as the amendments to the initial requests. Amendments to the requests must bear a clear note and reference to the initial request being amended.

LOANS

Article 31

The Bank shall approve loans to its clients in line with the procedures and other acts of the Bank.

The Bank shall approve loans by assessing whether the Client's request is reasonable based on its credit worthiness and based on other relevant factors determining the Client's business with regard to its activity.

Submission of the documentation required by the Bank for the purpose of assessment of the Client's credit worthiness is a requirement but not necessarily a sufficient condition for the requested loan, or other service by which the Bank is directly or indirectly financing the Client, to be approved.

Decision on approval of credit, guarantees and other loans is made by the relevant credit board of the Bank, in line with the Bank's applicable procedures.

Article 32

The intended purpose of loans for legal persons and entrepreneurs must be in line with the type of activity the Client performs, in line with the Bank's acts and legal regulations.

The intended purpose of loans for natural persons shall be specified in individual decisions, or agreements concluded with clients.

DEPOSITS

Article 33

Cash deposits include the cash that legal persons, entrepreneurs and natural persons deposit with the Bank on the basis of the Agreement, request for depositing of assets, or on the basis of the obligation stipulated by law.

Deposits may be demand deposits, time deposits, special-purpose deposits or non-special purpose deposits.

The Bank retains its right, in line with the Bank's acts, to prescribe minimum amounts of time deposits, interest rates, term deposit periods, and other conditions.

The Bank shall prescribe the general conditions and may negotiate different cash depositing conditions, depending on the Client's status, type, purpose, amount and term of the deposit. Depositing terms and conditions shall be specified in the agreement.

The Bank may approve termination of the term deposit period upon a written request from the Client. In case of early termination of agreement, the Bank shall not accrue the calculated interest, unless otherwise prescribed by law.

The last day of interest calculations shall be the day prior to cancellation/withdrawal of cash funds – deposit.

Clients, natural persons and foreign legal persons shall be capital income – interest taxpayers in accordance with law. The Bank shall calculate and deduct interest tax upon interest disbursement.

Article 34

The Bank is a member of the Deposit Protection Fund.

The Bank shall, in conformity with the Deposit Protection Law, insure deposits of natural persons, entrepreneurs, and legal persons up to the amount prescribed by the applicable deposit protection law. The stated amount ensures assets recovery per Client, i.e. total deposit of the Client with the Bank, and not per Client's individual contracted deposit transaction.

PAYMENT SYSTEM OPERATIONS**Article 35**

The Bank shall perform payment operations in the country and internationally on behalf of the clients based on transfer orders received from the Client (Client Order), in line with the applicable regulations.

Orders are placed in writing or electronically. Orders placed by the Client to the Bank shall be clear and unambiguous, stating the specific transfer purpose and information required for the execution of transfer. Orders are placed by persons authorized to dispose of the funds.

An order may also be physically delivered to the Bank by persons authorised exclusively for that purpose – order carriers.

In case the Bank refuses to execute the payment order, it has to notify the client (unless otherwise prescribed by laws and regulations) about:

- 1) rejection of execution of the payment order;
- 2) reasons for not executing the payment order;
- 3) procedures for correction of errors that led to the rejection of execution of the payment order;

If there are not sufficient assets in the accounts for realization of the Client's order, the order may be registered in the system and may wait for realisation until the end of banking day.

Payment operations in the country**Article 36**

In order to open an account Client and the Bank shall conclude the Framework contract on payment services that is made of the following:

- General terms of transaction account maintenance and performance of the payment system services for natural persons/business entities;
- Special General terms for the additional service agreed by the Bank and the Client;
- Decision on tariffs/fees for the payment services for natural persons/legal persons;
- Timetable;
- Contract;

Bank can unilaterally terminate Framework contract without the cancellation period if based on the Bank's estimation the Client is breaking the provisions of the Contract or the laws and regulations or in case the Client's operations are undermine the Bank's reputation;

Bank can terminate the Framework agreement without cancellation period if the Client does not comply with the Bank's request to present the documents necessary to determine the taxpayer status of the client in the United States of America (FATCA status).

The Bank will, execute the payment transaction through the client's account and it will perform the services of depositing, withdrawal and transfer of funds within the available balance in the account.

The place of order execution for the Bank and the Client shall be the Bank's business unit where the transfer was executed. In case of electronic services, the place of execution shall be the Bank's head office.

The order execution time shall be the value date if the accounts provide the coverage and if the order is formally correct.

Business hours for execution of external payments for RTGS external payments and for gyro clearing payments shall be specified in accordance with the daily timing plan and business hours of the Central Bank of Montenegro. This is defined in the Timing plan of execution of the payment transaction – for natural persons/business entities)

Internal payments at the Bank's teller desks may be realized until the end of the Bank's organization unit business hours for work with clients, i.e. in accordance with the time defined in the Timing plan of payment transaction execution for natural and business entities.

Value (currency) date implies the date of payment to the beneficiary's account

The Bank reserves the right to change the timing plan in accordance with the amendments in the term plan of the Central Bank of Montenegro.

The Bank shall accept orders during the banking day.

The Bank shall notify clients on the business hours and schedule for order execution by publishing the information visibly in its affiliates and on its website. The Bank shall notify the clients of the final deadline for submission of payment orders in the same manner.

When a Client places a cash transaction order, and transfer order in the amount equal or higher that the amount prescribed by the applicable law relating to anti-money laundering and anti-terrorist financing, identity of such person shall be verified and documentation on the origin of the money required for the above stated transactions, in accordance with the applicable law relating to anti-money laundering and anti-terrorist financing, shall be controlled.

The Bank shall also verify identity of the persons, as well as control documentation for all transactions, regardless of the amount, if it suspects of money laundering and/or terrorist financing.

The Bank shall deny execution of a payment order if it is not in compliance with law. Execution of orders shall be denied even if the Bank has previously undertaken to execute it.

The Bank may, in accordance with the regulations and its internal rules, accept standing payment orders from a Client.

In accordance with the applicable law relating to payment operations in the country, transfer may be created without a placed order if it is:

- correction of an error;
- transfer for the purpose of collection of cash claims in accordance with law
- when debiting was previously agreed between the Client and the Bank.

Article 37

The Client shall deliver the order at a specific time ensuring that the Bank has sufficient time to execute the order.

If there are not sufficient funds in the account to execute transfer on the value date, the Bank shall not execute the transfer and shall notify the Client.

The Bank shall not assume responsibility if non-execution or delay in execution of the order is caused by a lack in the funds in the Client's account or by a Client's error.

The Client shall have the right to determine schedule for order execution. The Bank shall execute orders according to the time of their receipt, unless otherwise prescribed by law or if the Client does not require otherwise provided that the order is not recorded in the system.

Article 38

The Bank may cancel a transaction upon the Client's request or a request from the Bank's employee who created the transaction.

Possibility to cancel an order depends on:

- a) the method of realization and
- b) the status in transaction realization.

Cancelling of an order may be requested if the transaction is still not executed, which means that the final user has not received the funds or the order has such status in payment operations that it is not possible to suspend it.

If a transaction was executed by an error of a Bank's employee, the Bank shall compensate the Client for the damage which occurred due to an error of a Bank's employee in accordance with the applicable law regulating payment operations in the country.

The Bank's employee who made the error when creating transaction shall notify the Client immediately after becoming aware of the error.

Orders created electronically may be cancelled only at the Bank's central office upon the Client's request, sent by secured e-mails depending on the eBanking service.

Bank shall notify the Client about completed payment transactions and about the balance and changes at the Client's account as it is agreed between the Client and the Bank.

Payment operations with other countries**Article 39**

The Bank shall be authorised to conduct payment operations with other countries in accordance with the applicable law, other regulations and acts of the Bank.

Payment operations with other countries shall include conducting payment operation transactions between residents and non-residents in Euros and in non-Euro currencies, as well as transfer of assets to and from Montenegro.

The Bank shall perform the following payment operation transactions with other countries: payments towards other countries – nostro remittances, collection from other countries – loro remittances, payment

towards other countries and collection from other countries through various payment and collection instruments such as: letters of credit, guarantees, documentary incasso, cheques etc., depositing and sale/purchase of currencies.

The Bank shall execute a correct order for payment towards other country immediately, and not later than the end of the following business day after the day when the order was received, if the person placing the order has sufficient funds in the accounts.

The Bank shall transfer funds received from other country to the account of the user of these funds, when the user account is stated in the disbursement order and when additional instructions are not required for transfer of funds, not later than on the following business day after the day when the notification of receipt of the funds from another country was received.

When transfer of funds requires additional instructions, the Bank shall notify the recipient of the funds of receipt of the funds from other country on the same business day when it received notification of receipt of the funds from other country and transfer the funds received to the account in line with the instructions received, not later than by the end of the following business day after the day when the instruction is received, provided that that day is not a non-business day (Sunday, public and religious holidays). If such notification day is a non-business day, as referred to in the previous paragraph, then the Bank shall notify the Client of collection from other country, not later than on the first following business day.

CARD BUSINESS

Article 40

The Bank shall issue payment cards to the Bank's clients.

Card is an instrument for assets disposal from the card holder's account in electronic form and an instrument for obtaining certain information on the holder's account as well as for using other electronic services.

The transactions that may be performed with card may be cash and non-cash, and the Client's account may be debited at the moment of transaction execution or with deferred term by using the principle of reserving the funds on the client's account.

Cards may be debit and credit.

Debit card is an instrument for electronic transactions with which the client's account debiting is made at the moment of the transaction execution, up to the amount available on the client's account or up to the level of the approved (overdraft) limit.

Credit card is an instrument for electronic transactions, where payment for card holder becomes due after a particular agreed term. The amount available to the Client may be up to the amount approved as credit limit, while the total debt may exceed the credit limit for the amount of fees, interests and membership fee for the specific card type.

In the course of using the card abroad where cash is withdrawn or payment is made in different currency than the currency of the account the card is assigned to, the calculation shall be made at the Bank's selling exchange rate or payment schemes (MasterCard, VISA or American Express) as of the date of transaction or value date.

The rights and obligations of the Bank and the Client, the method and the procedure for payment card transactions shall be regulated by an agreement concluded between the Client and the Bank defining the terms and conditions for card transactions as well as the special General Terms and Conditions for the issuing and use of payment cards.

The General Terms and Conditions for the issuing and use of cards are available on the Bank's official internet presentation www.erstebank.me.

E-BANKING

Article 41

Erste eBanking service is a product/service enabling the clients to have direct access to their transaction accounts with Erste Bank AD Podgorica (hereinafter: Bank) via Internet, without being physically present in the Bank. This service includes:

- possibility to check account balance 24 hours a day, 7 days a week, 365 days a year
- inspection of account turnover that participates in the payment system,
- payment of obligations through electronic payment orders with the value date on the order creation date or a date in the future in national and international payment operations system.
- transfer of funds between transaction accounts in domestic and foreign currency

Users of this service may be business entities and natural persons in accordance with the concluded Framework agreement and the General Terms for the use of Erste Web eBanking service for natural persons or General Terms of use of eBanking service for business entities.

SMS notifications

Article 42

Erste SMS service is a product providing the Clients

- information on inflow, outflow, transaction account balance for execution of the payment transaction in national payment system (balance higher than/lower than), balance enquiries for natural persons,
- information on transaction account balance and last three changes (outflow/inflow) to the transaction account 2 times during the day
- information on transaction amount on payment card and/or available balance after transaction.

Users of this service may be business entities and natural persons in accordance with the General Terms for the use of Erste SMS service for business entities or in accordance with the General terms of use of SMS services for natural persons. .

Standing orders

Article 43

Payment through standing orders is a service providing the possibility of automatic transfer of funds from the transaction account of a natural person or business entity (hereinafter: User) to the accounts the User stated in the order:

- payments to business entities in a precisely defined amount,
- transfer from the user's account to third persons' accounts in a precisely defined amount (option is not available to the business entities)
- transfer from the account to other User's accounts in a precisely defined amount or variable amount in case of supplementing/maintenance of specific balance in the account. (option is not available to the business entities)

Request for payment through standing order is completed with specific information on the receivers' accounts, amounts, days in the month when the standing order is executed, frequency (daily, monthly, quarterly, annually) and optionally with the final date of standing order validity.

Standing order shall be executed based on the frequency defined by the User, solely in the entire stated debit amount, plus the amount of the appropriate order execution fee in internal payment operations, in accordance with the Decision on fees for the payment system services. If the User does not have sufficient assets in the account on the defined day in the month in order to execute the order and pay the fee, the system shall monitor the available balance in the User's account for as many business days in the month as specified by the Bank to attempt standing order execution.

In the event of change or cancellation of the payment order, the User shall sign a form changing the previously set payment criteria, defining the new criteria or cancelling them.

Direct Debit Order

Article 44

Direct Debit Order is a service providing possibility of automatic transfer of funds from the natural person's (hereinafter: payer) transaction account to transaction accounts of legal persons that the Bank has concluded direct debit order agreement with (hereinafter: receiver of the payment) in the amount of the payer's due obligations towards the receiver of the payment.

In the Direct debit order agreement between the Bank and the receiver of the payment defines exchange of files containing basic information on the Payer and the payer's due obligations towards the receiver of the payment.

The Payer shall sign the Form for settlement of obligations towards a specific legal person through agreed direct debit order service.

Direct debit order is executed once in the current month and solely in the entire debit amount plus the amount of the appropriate order execution fee in national payment operations, according to the Decision on fees for the payment system services. If the Payer does not have sufficient assets in the account on the specific day in the month defined by the Bank and the Receiver of the Payment in order to execute the agreed Direct debit order and pay the fee, the system shall monitor the available balance in the Payer's account for as many business days in the month as specified by the Bank to attempt agreed Direct debit order.

In the event of change or cancellation of the payment order, the Payer shall complete a form cancelling the agreed Direct debit order.

BANK SERVICES PRICES

Article 45

The Bank shall define, calculate, and collect service prices in line with the applicable price lists, depending on the Client category.

The level, character (variability), and period to which the Bank's service price is related, the method, dynamics, and deadline of calculation, as well as the collection dynamics and terms shall be defined by agreement. The agreement shall also specify calculation of penalty (default) interest and other possible costs.

The Bank's product and service portfolios and price lists, regularly updated and available to clients, as well as individual agreements, shall also define the possibilities of loan prepayment, loan prepayment

costs, as well as the terms and methods of regulating the prepayment of a part of the loan and the entire loan. These acts shall also specify fees for special Bank's services i.e. services upon Client's order.

Nominal interest rate

Article 46

Nominal interest rates shall be defined within the price lists and product portfolios per client categories.

Nominal interest rate may be uniform or compound.

Nominal interest rates shall be disclosed in percentages with two decimals per annum.

Nominal interest rate shall be calculated by compound interest method and pro-rata interest calculation method. Method of interest rate change is defined in the Methodology for Determining Changes in the Interest Rates on the Bank's Loans and Products on which Agreed Interest is Calculated (hereinafter: the Methodology), which is an integral part of these General Terms.

The uniform nominal interest rate shall be disclosed in percentage amount.

Nominal compound interest rate (agreed variable nominal interest rate) shall contain two elements: reference interest rate (EURIBOR) and margin.

With regard to the contractual relations the Bank may agree a clause on variability of uniform interest rate or margin for compound interest rate. The above stated clause on variability enables the Bank, in exceptional cases resulting in substantial changes in the market and according to the Bank's business decisions, to correct these interest rates upward or downward, in accordance with the Methodology.

The exceptional cases resulting in significant market changes may include:

- change in the prices of the sources of the funds from which the Bank is financed, which is determined by the Bank's financier,
- amendments to the legal regulations or acts of the Central Bank of Montenegro,
- change in the situation in the country resulting in the change in the country risk (rating), which has positive or negative impact on the rating of the financial assets offered to the Bank by foreign financiers,
- liquidity and, in general, good financial standing of legal entities which are the Bank's clients, which impacts the price of loan risk,
- change in the trend of competition offer,
- and other cases that may result in significant changes in the market.

The Bank reserves the right to change, during the whole period of contractual relation, the level of the agreed uniform interest rates and margins for which variability clause is agreed, in accordance with the applicable Methodology. The Bank shall notify the Client thereof within a reasonable period of time, including the explanation of the reason for the change in the interest rate.

Effective interest rate

Article 47

In conformity with the regulations of the Central Bank of Montenegro, the Bank shall calculate and announce effective interest rates on approved loans and passive effective interest rates on received deposits in a unique manner.

Effective interest rate helps the clients to compare actual loan/deposit prices among various offered products of banks.

Effective interest rate presents the total revenue that the Bank collects from the Client upon approving loans and during loan repayment, i.e. total expenses the Bank realizes through payments to the Client based on the received deposit.

Effective interest rate shall be disclosed annually, in percentages with two decimals, rounding the second decimal.

Article 48

The Bank shall inform the public and its clients of the effective interest rate, in accordance with the regulations of the Central Bank of Montenegro.
When entering into loan, or deposit, agreement, the Bank shall compose a repayment plan with clearly stated effective interest rate, and deliver a copy to the Client, and file a copy in its loan, or deposit, documentation.

Fees, default interest and tax costs**Article 49**

The Bank shall calculate and collect a fee for the services provided to the Bank's clients, in accordance with the applicable pricelists.
The fee is an administrative category, and it is agreed as the fixed category or with variability clause.
The Bank reserves the right to change the level of the fees in line with the market conditions - criteria for adjustment shall include: retail price index growth, change of legal regulations or acts of the Central Bank of Montenegro, inflation rates and competitive environment.
The parties agree that the Client may repay its loan in full even prior to the expiry of the agreed period. In the event of loan prepayment the Bank shall have the right to fair and objective fee for any possible costs directly relating to the loan prepayment, in the amount, in the manner and under the conditions prescribed by law.

Article 50

The Bank may calculate and collect from the Client default interest on all due claims (loans, fees, etc.) calculated at the rate set out in the applicable decision regulating the default interest rate level, for the period of default, or at the rate of the agreed interest if it was agreed.

Article 51

The Bank shall also collect value added tax for the services which are taxable in conformity with Law on Value Added Tax.

BANK OPERATIONS**Article 52**

Apart from the banking operations, the Bank shall perform other business prescribed by the decision of the Central Bank on issuing of the work licence, as well as other business not prescribed by the decision of the Central Bank, upon previous approval from the Central Bank.

The conditions and method of performing such business shall be regulated in more detailed by the Bank's internal acts.

TRANSITIONAL AND FINAL PROVISIONS**Article 53**

The Bank retains the right to make amendments to the General Terms, in accordance with the laws and bylaws and the Bank's business policy.

The General Terms, and their amendments, shall come into force on the day when they are adopted by the Bank's Board of Directors, and shall apply as of the 15th (fifteenth) day following the date of their adoption.

The General Terms, and their amendments, shall be displayed in the Bank's business premises and on the Bank's Internet presentation.

As of the effective date and beginning of application of these General Terms, any previous General Terms shall cease to apply.

Any legal relations between the Client and the Bank not prescribed by agreement, the General Terms and other general and specific acts of the Bank shall be governed by the applicable regulations of Montenegro.

The General Terms and Conditions were adopted by the Bank's Board of Directors, on 29th of November 2021, enter into force on the day of adoption and apply for 15th of December 2021.

The consolidated text of the General Terms and Conditions contains the basic text from 25th of March 2013, amendments from 30th of January 2015, amendments from 30th of January 2020 and amendments from 29th of November 2021.