

# Erste Bank AD Podgorica General Terms and Conditions of Business with Natural Persons

(Hereinafter: General Terms and Conditions)

## Introductory Provisions

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

1. Erste Bank - the issuer of the General Terms and Conditions is Erste Bank AD Podgorica, registered with the Central Register of Business Entities of Montenegro, under registration number 40001671, with registered office in Podgorica, at Arsenija Boljevića 2A, TIN 02351242, IBAN: ME25540000007000000101, BIC/SWIFT: OPPOMEPG; Erste Bank website: [www.erstebank.me](http://www.erstebank.me), info phone: +382 (0)20 440 440, e-mail: [Info@erstebank.me](mailto:Info@erstebank.me)
2. Acts of Erste Bank - all documents and decisions made by the authorised bodies of Erste Bank pursuant to the prescribed procedure and which are available to the Client in Erste Bank's branches and on the website, as well as through individual Distribution Channels. They govern the rights, powers and obligations of the Client and all others persons who assume rights and obligations towards Erste Bank, as well as of Erste Bank itself. Parts of Erste Bank's Acts have been compiled for the sake of visibility for Clients, available to Clients in Erste Bank's branches and on its website.
3. Deposit - the amount of money that the Client deposits with Erste Bank, on which Erste Bank may pay interest, and in certain contracts and Erste Bank's Acts it is also called a savings deposit / savings deposit / savings account / term deposit, etc.
4. Distribution channels – for the purpose of the General Terms and Conditions, they represent all the ways and means through which it is possible to access, contract and use the products and services of Erste Bank. In the text of the General Terms and Conditions, the term Distribution Channels may refer to Erste Bank's branches,
5. Erste Bank's website <https://www.erstebank.me> (hereinafter: website), electronic banking services, ATMs, etc.
6. The Catalogue of Products of the Retail Division for natural persons, which may be adopted as a comprehensive and unique document or as several separate documents with associated terms and conditions, attachments or tariffs (further: Catalogue) is an Act of Erste Bank and governs the products and services Erste Bank has in the standard offer. Excerpts from the Catalogue for individual products and services are compiled for the sake of visibility, and are available to clients in Erste Bank branches and on the website.
7. Client - a person who is in a business relationship with Erste Bank and to whom such status is recognised based on the applicable regulations of Montenegro.
8. Loan - the amount of money that Erste Bank makes available to the Client, following the Erste Bank's decision to approve the loan and conclude the contract, for a certain period of time and under certain terms and conditions, and the Client pays the agreed interest and fees and repays the used amount of money at times and in a manner as agreed.
9. Specific general terms and condition of business - terms and conditions prescribed for a specific product/service.
10. Power of attorney - authorisation for representation issued by the Client to the Authorised Person (hereinafter: Authorised Person) to undertake actions in the name and on behalf of the Client based on the power of attorney and within its framework. The form of the power of attorney and the conditions that must be met by the Authorised Person shall be determined by Erste Bank at its discretion, which depends on the specific case for which the Power of Attorney is issued. The power of attorney can be one-off or until revocation.

11. Guardian - natural person appointed by the competent authority and whose powers, rights and obligations are determined by the decision of the competent authority.
12. Transaction account – an account for executing payment transactions in national and/or international payment system.
13. Currency is deemed to be domestic and foreign means of payment.
14. Force majeure is deemed to be war, rebellion, fire, explosion, natural disasters, acts of competent state bodies if they prevent the performance of Erste Bank's obligations, as well as other circumstances beyond Erste Bank's control
15. Client's legal representative - a natural person who, based on the law or an act of the competent state body adopted on the basis of the law, has the authority, independently or with the consent of the competent state body, to undertake actions with legal effect in the name and on behalf of the Client.
16. Regular monthly income - salary, pension or other monetary income that is paid to the Client based on and with regard to the employment.
17. Permanent media - is any means that enables the Client to store information addressed to the Client personally in such a way that it is available for future use in a period that corresponds to the purpose of the information and that enables reproduction of the stored information in an unchanged form.
18. Person subject to sanctions - means a person who: a) is included in the Sanctions List or is owned, controlled or acts in the name of a person included in the Sanctions List; b) has a permanent residence, residence, registered office or is established in accordance with the regulations of a state or territory that is under the sanctions regime, or is owned or under (direct or indirect) control of a person who has a permanent residence, residence or registered office in a state or territory that is under the sanctions regime or entity established under the laws of that country; c) is subject to Sanctions on other grounds.
19. Sanctions - include laws, regulations, trade embargoes or restrictive measures relating to economic sanctions which are administered and which are adopted and implemented by the following bodies competent for adopting sanctions: a) the United Nations Security Council, b) the European Union, c) the United States of America d) any country in which the Bank's headquarters are located e) competent government institutions and agencies in any of the aforementioned and f) any other competent state or regulatory body, institution, an agency that imposes economic and financial sanctions, restrictive measures, or trade embargoes, including without limitation, also the US Department of the Treasury Office of Foreign Assets Control, (OFAC)
20. Sanctions lists – any list of specially determined nationals and blocked persons subject to sanctions, maintained by any authority competent to impose sanctions.

## General Provisions

### Article 1.

#### 1.1. Application

1.1.1. The General Terms and Conditions govern the basic rules of business operations and are applied to the entire business relationship between Erste Bank and the Client, unless their application (in whole or in part) is expressly excluded. The General Terms and Conditions are an integral part of the individual contract concluded with the Client, while other Erste Bank's Acts also apply to certain business relationships. In case of collision of individual contracts, General Terms and Conditions and other Erste Bank's Acts, the provisions of individual contracts are primarily applied, then Erste Bank's Acts and finally the General Terms and Conditions, unless expressly agreed otherwise.

1.1.2. The General Terms and Conditions shall be made in written form and available in Erste Bank branches and on

the website. The archive of general terms and fee tariffs not in force is placed on the website and is available at the Client's request free of charge in written form at Erste Bank branches.

1.1.3. By submitting any request to Erste Bank, performing any transaction or any other business with Erste Bank, the Client shall confirm that he is familiar and agrees with the content of the General Terms and Conditions and Erste Bank's Acts, governing Erste Bank's business operations in relation to the product or service that the Client uses or that has requested, as well as their possible amendments, and that the Client accepts the Client's rights and obligations based on them.

1.1.4. If the Client does not accept the amendments to Erste Bank's Acts or the General Terms and Conditions, the Client is authorised to unilaterally cancel the use of Erste Bank's products or services within 15 (fifteen) days of the date of publication of the amendments, by submitting a Client's statement to the Erste Bank branch, cancelling a product or service. The Client shall pay all obligations towards Erste Bank incurred up to the date of cancellation. Erste Bank shall interpret failure to submit the statement within the said time limit as the Client's acceptance of the amendments.

1.1.5. In the event that the Client does not comply with the contractual provisions, Erste Bank shall be authorised to cancel/terminate the contract based on which it provides services or approves products to the Client.

## 1.2. Documentation

1.2.1. All documentation submitted by the Client to Erste Bank must be in its form and content, and all other details, fully in accordance with the requirements set by Erste Bank and applicable regulations, and Erste Bank shall have the sole right to assess the validity of this documentation.

The power of attorney must be special in its content, and if it is made outside of Erste Bank, it must be certified by a domestic or foreign competent authority, in accordance with applicable regulations. Erste Bank shall reserve the right not to act on a one-off power of attorney older than one year, and on any power of attorney older than five years. In the event that it does not act on the power of attorney due to the age of the power of attorney, Erste Bank shall have the right to contact the Client, i.e. the issuer of the power of attorney, for additional verification. The power of attorney shall cease to be valid no later than one Business Day from the day of receipt of the statement/confirmation of written cancellation/revocation by the Client or Authorised Person, by the termination of the product/service to which it refers, by submitting a certificate/proof of loss of legal capacity, i.e. a certificate of the death of the Client/Authorised Person. On the day when the issued power of attorney cease to be valid, the Authorised Person may no longer dispose of funds or undertake any other actions or obtain any information and shall immediately return all funds at his disposal, if any. Erste Bank will not bear the consequences that may occur if the Authorised Person does not act in accordance with the provisions of this Article. Erste Bank is not obliged to inform the Client about the actions and omissions of the Authorised Person.

1.2.2. Erste Bank may temporarily prevent the Authorised Person from contracting Erste Bank products and services in the Client's name and disposing of funds on the Client's account for the duration of the following circumstances: if data on the Client is not available to Erste Bank and/or if the Client's data is not updated, which data is Erste Bank obliged to obtain in accordance with the applicable regulations, or such data, according to Erste Bank's assessment, are necessary for risk assessment and for taking measures to reduce risks in accordance with the regulations on money laundering prevention.

In exceptional cases, Erste Bank shall reserve the right, without stating specific explanation, not to act on a power of attorney, in which the person with whom Erste Bank terminated the business relationship or business cooperation based on a justified decision of Erste Bank (especially in the cases from the Article entitled Liability of Erste Bank) is listed as the Authorised Person Power of Attorney, if Erste Bank believes that it is acting to protect the Client, i.e. the issuer of the power of attorney. Erste Bank will inform the Client or the issuer of the power of attorney orally in the branch or by letter to the address of permanent residence or residence specified on the power of attorney, on the termination of the operations and the non-acceptance of the power of attorney, and about the possibility of appointing a new Authorised Person.

1.2.3. Documents and notices submitted by the Client in a foreign language shall be submitted to Erste Bank in a certified translation in the Montenegrin language. In the event that the Client fails to act in accordance with the

above, Erste Bank may at its own discretion: (i) not perform its obligation towards the Client; (ii) invite the Client to submit documents and notices in a foreign language in a certified translation in the Montenegrin language; (iii) translate the mentioned documents and notices to authorised persons into the Montenegrin language at the expense of the Client.

1.2.4. In the event that the documents and notices submitted to Erste Bank are prepared bilingually, in Montenegrin and a foreign language, the only Montenegrin version of the text is authoritative. In the event that the documents are drawn up bilingually, and none of the languages is Montenegrin, the English version of the text shall be translated, if there is one. If there is not, Erste Bank is free to choose the version of the text, and the decision will be based on the availability of the translator.

1.2.5. In the event that the Client does not speak the Montenegrin language, before performing any transaction or any other business with Erste Bank, the Client shall undertake all actions necessary to familiarise himself with the content, i.e. with all rights and obligations arising from the transaction concerned or any other business with Erste Bank. Erste Bank will not bear any damage that may occur to the Client because the Client does not speak the Montenegrin language.

### **1.3. Settlement of obligations arising from the business relationship between the Client and Erste Bank**

1.3.1. The Client shall comply, in accordance with Erste Bank Acts, with all obligations arising from the business relationship with Erste Bank, and shall therefore cover the costs arising from the use of Erste Bank's services and products, and shall compensate all costs to Erste Bank arising from the relationship (contractual or non-contractual) with Erste Bank, including the obligation to reimburse Erste Bank any damage caused by any action or omission of the Client, including the Authorised Person, Legal Representative, Guardian and other persons who are in a related relationship with the Client and who in any way perform or participate (directly or indirectly) in the performance of any powers, rights or obligations of the Client in relation to Erste Bank.

1.3.2. Amounts of fees, interest or any other amount regardless of the name, which Erste Bank charges the Client on any grounds, based on the use of Erste Bank's products and services, whether they are used by the Client, Authorised Person, Legal Representative, Guardian or other persons who are in a related relationship with the Client and who in any way before Erste Bank perform or participate (directly or indirectly) in the performance of any powers, rights or obligations of the Client in relation to Erste Bank, shall be contracted in the net amount. The Client shall pay, according to the calculation of Erste Bank, all taxes, surcharges, fees and any other duties and obligations that Erste Bank is required to calculate, advance or assume in any other way, based on applicable regulations, on the grounds of such use of Erste Bank's products and services.

1.3.3. The Client shall expressly authorise Erste Bank to collect the due amount with all associated additions and default interest from all Client's Deposits, Transaction Accounts and all other accounts in Erste Bank, in the event of the Client's default on the obligation referred to in the previous paragraph.

1.3.4. Loan obligations and obligations arising from other products and services shall be considered properly settled only if they are settled in accordance with the appropriate rules, i.e. the payment instructions (for example, the payment should be made to a specific sub-account, account and/or with the correct reference number, etc.). For the avoidance of doubt, the date of settlement of the obligation implies the date of payment received and properly posted. Erste Bank shall not be liable for the delay in the posting of transactions and additional costs and fees incurred due to reasons for which there is no direct responsibility on the part of Erste Bank (for example, if the Client makes a payment through a legal entity that provides payment services, other than Erste Bank, etc.). Erste Bank shall reserve the right to charge the Client for all costs incurred by Erste Bank in order to properly post such fulfilment of the obligation, as well as for any interest and compensation for any damage that Erste Bank could have because of this.

1.3.5. Erste Bank shall have the authority to collect any of its claims against the Client due on any grounds in order to fulfil its obligations, from all the Client's funds entrusted to Erste Bank, either as security for Erste Bank's claims against the Client on any grounds or from funds entrusted to Erste Bank on any other grounds. In the event that Erste Bank should unilaterally decide not to exercise any of its rights, i.e. to make a request, either partially or in full (for example, does not charge the full margin), such a decision by Erste Bank may not be interpreted as a permanent surrender or waiver of that right or claim in the future, nor may it be considered as establishing a custom that should be applied to

the interpretation of the relationship between Erste Bank and the Client.

1.3.6. Erste Bank's failure to exercise or its delay in exercising any right or remedy shall not be deemed a waiver of the exercise nor shall any individual or partial exercise of any right or remedy prevent any further or other exercise of those or any other rights or remedy, nor will it be considered in any way a surrender or waiver by Erste Bank of any of its rights or claims. The contracted rights and remedies are cumulative and do not exclude the application of any other rights or remedies provided by law.

1.3.7. Erste Bank may use the amount of funds paid to fulfil the obligation under the loan or any other debt towards Erste Bank without the Client's specific consent, in order to close the due outstanding debt of the same Client on some other grounds, with the aim of reducing the Client's additional costs (default interest and other costs).

1.3.8. Regardless of the provisions of the individual Deposit Agreement, Erste Bank may terminate the Client's Term Deposit before the end of the agreed maturity period in order to settle its overdue claims against the Client on any grounds. In the event that the Client has not settled any of his obligations towards Erste Bank, Erste Bank has the right to deny the Client the disposal of funds deposited in the Deposit.

1.3.9. By executing the contract on the Deposit, Transaction Account and any other account, the Client authorises Erste Bank to collect all due unpaid claims of Erste Bank arising on any grounds (guarantee, debt or co-debt) from his Deposit, Transaction Account and any other account in Erste Bank.

1.3.10. By accepting the General Terms and Conditions, the Client expressly grants the Bank the right to settle all of its due and unpaid claims from funds located in all Deposits, Transaction Accounts and all other accounts of the Client in Erste Bank, as well as from all claims and rights that the Client has in relation to Erste Bank.

## 1.4. Other provisions

1.4.1. All provisions that determine the obligations, rights and powers of the Client shall appropriately apply to the Authorised Person, Legal Representative, Guardian, as well as to all other persons who, based on applicable regulations, have obligations, rights and powers to dispose of the Client's account, i.e. any product or service that the Client uses in Erste Bank.

1.4.2. The terms and conditions of the special offer may not be combined and/or aggregated with the terms of another special offer for the same product/service, unless expressly agreed otherwise or stipulated in Erste Bank Acts.

1.4.3. During processing of and the duration of the contractual relationship with Erste Bank, the Clients, in addition to the interest and/or fees of Erste Bank, may also incur the costs of other persons involved in the process (notary, appraiser, insurance, document certification costs, etc.), which the Client bears alone, unless expressly agreed otherwise.

1.4.4. By accepting these General Terms and Conditions, the Client agrees that the Bank may correct and eliminate incorrect posting or crediting an account made without the Client's order, which is the result of an error by the Bank or its employees, by subsequent proper posting or cancellation.

## Obligations of Erste Bank

### Article 2.

## 2.1. Banking secrecy

2.1.1. All data, facts and circumstances that Erste Bank has learned based on providing services to Clients and in conducting business with individual Clients, as well as all other data that are considered subject to banking secrecy based on applicable regulations, shall be considered banking secrets. The above may be communicated to the



Client and, with the express written consent of the Client and pursuant to the Law on Credit Institutions and other applicable regulations, to other persons.

2.1.2. In order to further clarify the provision referred to in the previous paragraph, the Law on Credit Institutions and other applicable regulations prescribe exceptions to the obligation to keep banking secrecy. The obligation to keep banking secrecy shall not exist if the Client consents in writing, if the data is disclosed at the request of competent courts, notaries, public bailiffs, tax authorities, supervisory bodies for the purposes of supervision or oversight from the area and their competences, and in other cases provided for by the Law on Credit Institutions and applicable regulations.

2.1.3. Persons who are permanently or temporarily employed or in other contractual relationship, in which they perform for Erste Bank tasks entrusted to them by Erste Bank (for example, in the process of outsourcing services, data processing, assessment of specific risks, keeping placements records, monitoring collection and collection of receivables from Erste Bank, etc.), in accordance with applicable regulations, shall maintain banking secrecy even after the termination of the employment or contractual relationship.

## 2.2. Notification

2.2.1. Erste Bank shall undertake to notify the Client at least once a year on the balance of the Client's loans by the time of initiation of court proceedings for loan collection, and on the balance of the Deposit in one of the following ways:

- (a) by sending an annual balance notification by mail to the Client's address, or
- (b) by handing over the annual balance notification at the Erste bank branch, or
- (c) by sending an annual balance notification by electronic mail, and
- (d) in a manner pursuant to applicable regulations, when such a manner is expressly prescribed as an imperative rule by the appropriate regulation.

2.2.2. Erste Bank shall deliver the annual notices it sends by mail to the last contact address provided by the Client, and if the Client has not provided a contact address, delivery shall be made to the permanent residential address provided by the Client to Erste Bank or to the residential address if the Client has expressly requested it.

2.2.3. In the event that the Client does not wish to receive the annual notification on the balance of the loan and/or Deposit by mail, the Client can personally request delivery at any Erste bank branch or through electronic banking services by serving it to him at an Erste bank branch or by sending it by e-mail.

2.2.4. Erste Bank shall undertake to notify the Client at least once a year about the calculated fees and interest on his transaction accounts with the Fee Report. The method of sending the initial Fee Report for all transaction accounts will be delivered by Erste bank in the manner that the Client has agreed to receive the annual notification on the balance of his loans and on the balance of Deposits or in the way that the Client subsequently agreed on the method of delivery in the branch.

The Client may arrange delivery of the Fee Report in one of the following ways:

- (a) by sending it by mail to the Client's address, or
- (b) by delivery at a branch of Erste Bank, or
- (c) by electronic mail.

If the Client does not have an agreed method of sending the annual notification on the balance of the loans and Deposits and the method of delivery of the Fee Report, Erste Bank will deliver the Fee Report to the Client in the manner described in point 2.2.8. of these General Terms and Conditions.

2.2.5. In the event that Erste Bank does not know the necessary information about the Client's identity (for example, due to a change of address, personal name, etc.), or it does not know the Client's identity at all (for example, in the case of the Client's death until the determination of an heir, etc.), it will be considered that Erste Bank has fulfilled its obligation referred to in this Article by enabling the delivery of the notification referred to in this Article at the Erste Bank branch at the Client's request, with the condition that the person who claims to be the Client can prove that he is a Client of Erste Bank in a manner that is beyond doubt and acceptable to Erste Bank.

2.2.6. Apart from the obligation to notify the Client in accordance with the mandatory regulations, Erste Bank will not have any other obligation to notify the Client, unless expressly stated otherwise in the General Terms and Conditions, Erste Bank Acts and/or in a specific contract governing the relations between Erste Bank and the Client, related to a particular product or service of Erste Bank. For example, Erste Bank is not particularly required to notify and warn the Client about the risk of possible reduction and/or loss of the value of things and rights entrusted to Erste Bank for safekeeping (including, for example, the loss of the value of pledges), nor about circumstances that would may lead to this, nor is it required to provide other advice or information of any kind, unless expressly agreed otherwise.

2.2.7. The Client expressly accepts that Erste Bank may perform its obligations referred to in this Article, as well as any other obligations to send notifications and information based on other Erste Bank Acts and other documents governing the relationship between Erste Bank and the Client by e-mail, SMS, Viber or the like, unless expressly a different form is not prescribed based on of mandatory regulations, or a different form is not expressly agreed upon. At the same time, the Client expressly accepts that Erste Bank may deliver information/documents requested by the Client to the previously mentioned communication channels (e-mail, Viber, SMS). In order for Erste Bank to be able to fulfil its obligations and/or deliver the requested information/documents, the Client shall provide Erste Bank with the correct e-mail address, or the correct number for receiving Viber or SMS, i.e. the Client shall keep addresses/numbers it valid/available, and notify Erste Bank immediately of any change. The Client shall take appropriate measures for the purpose of protecting these communication channels.

2.2.8. The email address is the address provided by the Client to Erste Bank as the primary address for the delivery of all letters/notifications/reports/advertising materials (including those that affect the rights and obligations under the contractual relationship of the Client with Erste Bank). If the Client has not provided Erste Bank with an email address, Erste Bank will deliver the specified documentation to the contact address if it exists, i.e. to the permanent residence address provided by the Client to Erste Bank or to the residence address.

2.2.9. Erste Bank will notify the co-debtor and the guarantor once a year until the initiation of court proceedings for loan collection, in a manner identical to the method of sending annual notifications contracted. If the method of sending annual notices has not been contracted with the Client, Erste Bank will deliver this notice in the manner described in point 2.2.8. of these General Terms and Conditions.

### **2.3. Liability and Responsibility of Erste Bank**

2.3.1. In fulfilling the obligations arising from the Bank's business with the Client, the Bank shall act with care, according to the rules and customs of the profession. Erste Bank shall act in good faith, relying on the credibility, accuracy, completeness and veracity of the documents/documentation submitted to it, and has no obligation to verify the facts stated therein, and will not be liable for any damage that the Client may incur as a result.

2.3.2. Erste Bank's liability shall be limited exclusively to direct and actual damage suffered by the Client due to gross negligence or intent on the part of Erste Bank. Erste Bank shall not be liable for the fulfilment of obligations if its fulfilment of those obligations is prevented by Force Majeure or any other cause beyond Erste Bank's control.

2.3.3. Erste Bank shall be entitled to deny a specific product or service to the Client and shall have no liability for any damage in cases where, after the approval of a specific product or service to the Client, such circumstances occur (or Erste Bank learns that they have occurred) that, according to Erste Bank's free judgment, in the event that they existed (or were known to Erste Bank) before the approval of such a product or service, Erste Bank would not have approved the product or service concerned at all, i.e. it would not have made such a decision on approval under the terms and conditions agreed with the Client. This provision refers, for example, to changes in regulations (including guidelines and recommendations of competent authorities, both in Montenegro and abroad), etc., which may have directly or indirectly an impact on Erste Bank's business operations. In addition, Erste Bank shall be entitled, when re-approving, extending the term of use or changing any other conditions, whether it was previously agreed or it is done by contract (such as reissuing/extending the use of a certain product or service) to request again confirmation of the facts, circumstances and/or conditions required for the approval, extension or other decision regarding such product or service, including without limitation the Client's credit capacity. In the event that there are no assumptions that Erste Bank requires at the time of approval, extension of the term of use or changes to any other conditions, or, in Erste

Bank's opinion, the necessary proof of the existence of relevant facts, circumstances and/or the fulfilment of conditions has not been provided, regardless of other provisions in the contract or other document that regulates the rights and obligations between the Client and Erste Bank, Erste Bank may not approve the use of such product or service, the extension of use, or changes to other conditions. Regardless of the contract or other document that regulates the mutual rights and obligations between the Client and Erste Bank in relation to a particular product or service, Erste Bank shall reserve the right not to approve, extend the term of use or change the terms of use of a particular product or service and in the event that it has stopped providing a certain product or service (as a whole or only a certain segment of Clients or products) based on its business policy or decision.

2.3.4. Erste Bank shall reserve the right to deny a specific product or service to the Client, or deny the right to re-approve, extend the term of use or change any other conditions, whether it was previously agreed or it is done by contract (such as reissuing/extending the use of a certain product or service): if the Client is a Person subject to sanctions or violates the regulations on Sanctions, if a claim/lawsuit has been filed against the Client or any related person, or action undertaken or investigation or procedure initiated in connection with or for the purpose of applying Sanctions by the body competent for imposing sanctions, if any information on the financial status or on other important facts or circumstances provided by the Client to the Bank, which could affect the financial position of the Client, is not complete, accurate, true or updated.

2.3.5. In the events referred to in the previous paragraph, Erste Bank may, regardless of the provisions of the relevant contract with the Client (unless expressly agreed otherwise or mandatory regulations specify otherwise) solely at its own choice:

- (a) cancel the contractual relationship with the Client, or
- (b) cancel the contractual relationship with the Client and offer to enter into a contract under modified terms and conditions.

2.3.6. Erste Bank will perform an order for the execution of which the participation of a third party is necessary, either due to the nature of the order, or due to the more efficient execution of such an order according to Erste Bank's assessment, by contacting such third party on its behalf. Regardless of Erste Bank's choice referred in the previous sentence, Erste Bank shall reserve the right to file a claim for damages, as well as any other claims it may have against the Client according to applicable regulations or based on the contractual relationship with the Client.

2.3.7. In the event that a suspicion of fraud or any abuse, money laundering and/or financing of terrorism, inappropriate, unacceptable, immoral behaviour, exists, solely at the Erste Bank's judgment, Erste Bank shall be authorised, without providing a special explanation, to delay or refuse the provision of the service, products or any other transaction requested, as well as take all necessary actions to end any business relationship with the Client, if it deems it necessary. In addition, Erste Bank shall be authorised to request any clarification or information or documentation that it may, in its judgement, consider necessary to remove this doubt. The criteria and methods by which Erste Bank assesses the risks of these abuses are a measure of risk management and protection of Erste Bank. They are continuously updated and improved in order to protect the stability of the business and the security of the Clients, and therefore Erste Bank shall not be required to provide or clarify such criteria and methods to the Clients.

2.3.8. Erste Bank shall be entitled at any time to request additional information and documentation from the Clients in accordance with internal procedures and policies (for example, to determine the status of a United States taxpayer in accordance with FATCA<sup>11</sup>, in order to determine the status of a Person subject to sanctions).

## Clients 'Obligations

### Article 3.

3.1. The prerequisite for establishing any business relationship with Erste Bank is the identification of the Client, for the purpose of which the Client is required to submit to Erste Bank documentation enabling the identification of the Client in accordance with applicable regulations, Acts and requirements of Erste Bank. Erste Bank will use the copy

<sup>1</sup> FATCA (*Foreign Account Tax Compliance Act*) is a law aimed at preventing American taxpayers from using foreign accounts to avoid paying taxes. The status of a taxpayer of the United States of America is held by a person with whom the indicators for which the law in question applies to that person are determined. The text of the law is available at [www.irs.com](http://www.irs.com)

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of the this documentation for these purpose and keep it with the application of all personnel, technical and organisational measures for the protection of personal data along with the other documentation of the Client.

The prerequisite for any business relationship with Erste Bank is the identification of the Client in accordance with applicable regulations.

3.2. The Client shall notify Erste Bank in writing within eight days of any change in personal data, status circumstances, contact data through which Erste Bank communicates with the Client (address, mobile/landline phone number, e-mail address) and other data, especially the data based on which an account in Erste Bank was opened to him, loan approved or some other service contracted, unless expressly agreed otherwise.

Erste Bank may temporarily prevent the Client from contracting Erste Bank products and services and disposing of funds on the Client's account if data on the Client is not available to Erste Bank and/or if these data is not updated, and/or the Client does not submit this data to Erste Bank upon its written or oral request within the period specified by the request, and which data Erste Bank is required to obtain in accordance with the applicable regulations or, according to Erste Bank's assessment, such data is necessary for risks assessment and taking measures to reduce them in accordance with regulations on the prevention of money laundering and terrorist financing.

3.3. When assuming new debts and their repayment, assigning security for the resulting debts, the Client shall undertake not to put Erste Bank in a subordinate position with regard to new creditors, and shall undertake to notify Erste Bank in advance in the event of circumstances that could cause default on the assumed obligations.

3.4. The Client is liable for all omissions or damage that would occur due to non-observance of the obligation to provide information about the changes that have occurred.

3.5. In the event of the occurrence or threat of disappearance (for example, in case of suspected loss), alienation, misuse or other unauthorised handling of the account and any other documents and/or means which, if disposed of or used, may cause any liability (including loss of reputation) of Erste Bank, the Client shall notify Erste Bank in writing and, if necessary, the police.

3.6. All costs arising from the Client's ignorance or negligent business, loss, disposal or misuse of documents and/or funds which, if they are disposed of or used, may cause any liability (including loss of reputation) of Erste Bank and from their submission for collection by a third party person, shall debit the Client's account.

3.7. When assigning or carrying out any business transaction with Erste Bank, the Client shall check the accuracy and completeness of that document and the data specified in the document, before signing the document related to such business transaction. Without delay, the Client must check the accuracy and completeness of the account statement, securities calculation, inventory inspection, other calculations, order execution notices, as well as other bank announcements and without delay lodge an objection in accordance with Article 6 of the General Terms and Conditions.

3.8. If, for any reason, the Client has not received the statement within the time limit and in the manner the delivery of that document was agreed, the Client shall lodge a complaint with Erste Bank in accordance with Article 6 of the General Terms and Conditions. Missing the complaint deadline shall be interpreted as approval of the statements from the bank announcement and confirmation of receipt of such announcements.

3.9. The Client shall undertake not to use the funds granted to him by the placement/product of Erste Bank for any illegal purposes.

3.10. Erste Bank shall be entitled to expect the Client to refrain from any actions, conduct, words or expressions in communication with Erste Bank that may constitute offensive, humiliating, inappropriate or indecent behaviour (for example, arriving at the branch under the influence of alcohol or drugs, use of words or expressions that can cause fear, discomfort, violation of dignity and a sense of humiliation among employees of Erste Bank or other present Clients or persons). Otherwise, Erste Bank shall be entitled to terminate any further communication with the Client, if it deems it necessary to protect the safety, health, dignity, property and other rights and interests of Erste Bank's employees, other Clients and third parties for whom it may be liable.

3.11. When identifying the Client, Erste Bank shall be entitled to request to see the Client's card issued by Erste Bank for any of the Client's accounts, in addition to the identification document.

## Deposit Business

Article 4.

### Deposit Opening

4.1.1. Erste Bank shall open a Deposit based on the Client's request and contract.

4.1.2. Erste bank shall undertake, at the Client's request, to make the paid amount of the Deposit available to him in accordance with the agreed terms and conditions and applicable regulations.

For Clients without legal capacity, the Deposit is opened and disposed of by the Legal Representative or the Guardian based on appropriate documentation, and in accordance with applicable regulations.

4.1.3. When making payments and withdrawals, the Client is identified by documents that are valid and prescribed by applicable regulations, which establish the identity and capacity, and by signing the confirmation of payment/withdrawal, unless a different method of identification has been expressly agreed for the respective product or service. When making payments and withdrawals in Erste Bank branches, Erste Bank may ask the Client to present the Deposit Agreement for the sake of complete identification. The Client shall agree that, in addition to identification documents, Erste Bank is entitled to request other evidence for the purpose of identification in case of doubt about the identity, and in order to protect the interests of the Client and Erste Bank, without giving reasons. If disposal of the Deposit is required by the Depositor's Authorised Person, for the act of disposal of the Deposit, the Authorised Person must have a special, content-specific and validly certified power of attorney from the Depositor authorising him to dispose of the Deposit, including any braking of term deposit.

4.1.4. Erste Bank shall enable the Client to withdraw cash and transfer funds to other accounts in Erste Bank within the limits of available funds in accordance with applicable regulations and the Catalogue. Erste Bank shall be entitled to specify in the Catalogue that requests for payment of cash above a certain amount must be announced in advance.

4.1.5. Minimum Deposit Amounts are prescribed by the Catalogue, and are available in written form at Erste Bank branches and on the website.

4.1.6. The deposit can be on demand or fixed term.

4.1.7. The Client may dispose of Demand Deposits at any time within the limits of available funds, and of Term Deposits after the expiry of the term.

### 4.2. Term Deposits

4.2.1. The period of term deposits, begins on the day the funds are deposited, and expires on the last day the agreed term.

4.2.2. Term Deposits may be special purpose and non-special purpose deposits, and their terms and conditions are defined in the Catalogue.

4.2.3. If the contract on the Term Deposit stipulates so, the Deposit may be automatically roll over for the same term, so that the new term begins on the expiry date of the term and under the conditions valid on the expiry date of the previous term, if the Client or Erste Bank do not terminate the Term Deposit Agreement within eight days after the expiry of the term. The term of the Deposit may not be rolled over automatically if it is prohibited or impossible pursuant to the applicable regulations and if the Client's account is blocked in accordance with the applicable regulations on the day of the expiry of the term. In this case, after the expiration of the term, the funds of the Deposit are used to settle the secured claim of Erste Bank and to settle the grounds for forced collection, and any excess funds are paid to the Client's Transaction Account opened with Erste Bank. If the Client does not have a Transaction Account opened

with Erste Bank in the currency of the Deposit, any excess funds are transferred to the Bank's account, and no interest rate is applied to them.

4.2.4. The term of the Deposit cannot be prematurely terminated at the request of the Client, unless expressly agreed otherwise or determined by the Catalogue. In case of permitted premature termination of the term, Erste Bank does not calculate interest and fees in accordance with the Catalogue.

#### **4.4. Interest Rates, Premiums and Fees in Deposit Business**

##### **4.4.1. Contractual nominal annual interest rate and premium**

Valid annual contractual nominal interest rates and premiums in deposit operations are prescribed by the Catalogue and are available in written form in Erste Bank branches and on the website. Erste Bank shall calculate and pay interest on Deposits at the agreed variable or fixed interest rate determined by the Catalogue. The premium is calculated on the amount of total calculated interest in accordance with the conditions defined in the Catalogue. Erste Bank shall determine independently which Deposits have a fixed interest rate and which have a variable interest rate in accordance with applicable regulations.

##### **4.4.2. Effective Interest Rate**

The effective interest rate (hereinafter: EIR) shall be calculated in accordance with the regulations of the Central Bank of Montenegro (hereinafter: CBCG). The EIR shall be stated in written form and is available in Erste Bank branches and on the website.

##### **4.4.3. Interest Calculation Method**

Interest shall be calculated using a compound decursive interest calculation based on the actual number of days in a year with the application of a conforming interest rate, unless expressly agreed otherwise. When calculating, the interest is rounded to two decimal places.

4.4.3.1. Erste Bank shall calculate interest on Demand Deposits monthly and credit it to the Deposit at the end calendar year, or at the closing of the Deposit.

4.4.3.2. Erste Bank shall calculate interest on Term Deposits monthly, and credit and pay it out in accordance with the contract.

4.4.4. Fees in deposit operations shall be prescribed by the Catalogue and shall be available in written form in Erste Bank branches or on the website, and Erste Bank shall not charge a fee for the duration of the contractual relationship that was not contained in the Catalogue at the time of conclusion or automatic rollover of the Deposit.

#### **4.5. Deposit Currency**

4.5.1. Erste Bank shall make payments against the Deposit in the currency in which the amount is deposited.

4.5.2. The deposit shall be in the currency in which the payment was made. In the event that multiple currencies shall be paid in, Erste Bank shall maintain each currency separately with a currency label.

#### **4.6. Basic information about Deposit insurance**

4.6.1. Erste bank shall insure Deposits with the Deposit Protection Fund, which insures natural persons' Deposits based on the Deposit Protection Law, up to the amount determined by applicable regulations.

#### **4.7. Disposal Prevention, Amortisation and Closing of Deposit**

4.7.1. Erste Bank will temporarily prevent the disposal of the funds of the Deposit in the event of the Client's death, and based on a court decision, decisions of other competent bodies and documents based on which Erste Bank, in

accordance with applicable regulations, is required to prevent the disposal of funds. During the blocked disposal of funds, the Client cannot dispose of funds under any circumstances.

4.7.2. The deposit shall be closed at the request of the Client, provided that all due obligations have been settled. By withdrawing all funds of the Term Deposit, Erste Bank closes the Term Deposit concerned. The Authorised Person cannot close the Demand Deposit without a special power of attorney from the Client, by which he is authorised to close it.

4.7.3. In the case of subsequent debits to the Deposit, which the Client made before the closing of the Deposit, these subsequent debits shall debit the Client and represent his subsequently due obligation.

4.7.4. In order to prevent money laundering and terrorism financing or to adapt Erste Bank's operations to applicable regulations, the Client shall agree that Erste Bank, in accordance with applicable regulations and business practice, shall be authorised to temporarily deny the Client the disposal of the funds in the Deposit, refuse to execute the Client's order, invite the Client to supplement and justify his request as well as undertake all other measures and actions prescribed by applicable regulations and in accordance with Erste Bank's business practice.

#### **4.8. Conditions for disposing of funds of minors and persons partially or completely deprived of legal capacities**

4.8.1. Legal Representatives shall dispose of the funds of minors and persons partially or completely deprived of legal capacity in accordance with applicable regulations and relevant decisions of competent bodies. The Legal representatives will be solely responsible to Erste Bank for any and all damages that Erste Bank may suffer as a result.

4.8.2. In addition, Erste Bank will not have any obligations or liabilities if the Client's legal capacity is revoked partially or completely, and Erste Bank has not been informed of this in a timely manner. In any case, when there is such a suspicion that the Client is a person whose legal capacity has been partially or fully revoked, or there are reasons for this to happen, Erste Bank shall be entitled to request an appropriate statement from the competent authorities in this regard and/or deny the provision of the requested service and /or products and/or cancel any contractual relationship with the Client.

4.8.3. The Bank may also open a transaction account at the request of a minor natural person in cases where these persons exercise their rights as if they were of legal age, in accordance with special laws (marriage, employment contract, etc.).

4.8.4. Erste Bank shall be authorised, solely based on its own assessment (and in the interest of the Client), to temporarily suspend the provision of services and products to the Client whom it suspects for any reason of being a person whose legal capacity has been partially or fully revoked or there are reasons for this to happen.

4.8.5. With the presentation of the term contract, or the appropriate identification document, the Legal Representatives may dispose independently and individually within the framework of their care, regardless of which of the parents signed the contract with Erste Bank.

### **Loan Business**

Article 5.

#### **5.1. Loan Approval**

5.1.1. Information on conditions and necessary documentation for loan approval shall be available to Clients in Erste Bank branches and on the website.

5.1.2. To submit a loan application, the Client must collect all the necessary documentation that establishes Client's credit capacity, i.e. other documentation required for loan approval.

5.1.3. Erste Bank will consider each duly submitted credit application and inform the Client of its decision within an appropriate time limit.

5.1.4. Erste Bank shall check the credit capacity of the Client and all participants in the loan, past business with Erste Bank, loan repayment security instruments and other conditions as provided by Erste Bank's Acts and applicable regulations, and in accordance with Erste Bank's business practice.

5.1.5. Erste Bank shall be authorised to make a decision on the approval/rejection of a loan application independently and based on its own assessment, and shall not be required to provide the Client with the reasons for which the loan application was approved/rejected, except in cases where this obligation is stipulated by mandatory legal regulations.

5.1.6. After the approval of the loan application, Erste Bank and the Client shall conclude a loan agreement.

## 5.2. Loan Purpose

5.2.1. Erste Bank may approve specific purpose and non-specific purpose loans. Specific purpose loans are loans where the purpose of using the funds is precisely determined. The documentation that the Client is required to present to Erste Bank for a specific purpose loan serves exclusively to justify the loan purpose. For the avoidance of doubt, Erste Bank does not condition the purchase of a specific product or service by approving a specific purpose loan.

## 5.3. Loan Currency

5.3.1. Erste Bank shall approve loans in Euros.

## 5.4. Security Instruments

5.4.1. In accordance with the type and amount of the loan, the Client shall submit to Erste Bank the appropriate instruments for securing the repayment of the loan, defined in the terms and conditions for each type of loan.

5.4.2. Erste Bank may also request additional security instruments if it considers that these instruments are necessary for securing of loan repayment.

5.4.3. In the case of loans approved under a pledge (mortgage) on real estate in favour of Erste Bank, during the repayment of the loan the Client shall allow an appraiser acceptable to Erste Bank to carry out an audit of the real estate valuation, at the request of Erste Bank, regardless of whether this is determined by individual loan agreements.

5.4.4. Erste Bank does not calculate interest on deposits that are pledged as security instruments, unless expressly agreed otherwise.

5.4.5. Erste Bank shall be entitled to use any security instrument in any order at its own discretion in accordance with applicable regulations.

5.4.6. If the obligation to insure the pledged movable or immovable property is determined by the procedures of Erste Bank, the pledgee/mortgagor shall undertake to insure the pledged property with an insurance company previously accepted by Erste Bank, to venerate the insurance policy in favour of Erste Bank, and to renew the insurance and venerate the insurance policy in favour of Erste Bank, until full settlement of all obligations assumed by concluding the contract. Otherwise Erste Bank shall be authorised to do so on his behalf and at his expense, and to charge the Client's loan sub-account for the insurance costs of the items pledged, in such a way that the amount of the insurance costs extends loan obligation as a due debt.

## 5.5. Conditions Precedent and Conditions Subsequent



5.5.1. When entering into a loan agreement, Erste Bank and the Client may agree on conditions that the Client must fulfil before the loan is paid out (condition precedent) or during the repayment of the loan (condition subsequent).

5.5.2. In the event that the conditions precedent have not been met, Erste Bank will not pay out the loan funds, and the loan processing fee previously collected shall not be returned to the Client.

5.5.3. Fulfilment of conditions subsequent is the sole responsibility of the Client, and Erste Bank shall be authorised, if it deems it necessary, to notify the Client about the approach of the deadline for fulfilling the conditions.

5.5.4. In the event of non-fulfilment of conditions subsequent, the loan agreement shall stipulate the right of Erste Bank to collect contractual penalty and/or cancel the loan agreement.

## 5.6. Interest Rates and Fees in Loan Business

5.6.1. In order to provide its services, Erste Bank shall determine independently the interest rates and fees up to the limits established by applicable regulations and in accordance with market conditions. The amounts, terms and methods of collecting interest and fees shall be regulated by the Catalogue and shall be contracted separately for each individual loan.

### 5.6.1.1. Contractual Interest Rate

5.6.1.1.1. The contractual interest rate is the agreed nominal interest rate that Erste bank and the Client have agreed upon for the entire duration of the loan. Erste Bank shall always state in its offer and contracts the nominal interest rate on an annual basis, which is calculated as regular and intercalary interest. The contractual interest rate may be contracted as fixed or variable. A fixed interest rate is a single fixed interest rate for the entire duration of the loan agreement. A variable interest rate is a rate whose amount is subject to change and can be defined as a reference interest rate increased by a fixed part of the interest rate or by the movement of parameters in accordance with applicable regulations.

In the event that the reference interest rate or another parameter cease to exist or cannot be applied or there has been a significant material change<sup>2</sup> in the methodology for calculating the reference interest rate or another parameter, the movement of which changes the interest rate during the validity of the loan agreement or the existence of rights and obligations under the loan agreement, the alternative parameter obtained in the first possible of the following three ways will be applied:

- 1) by the official replacement concept or
- 2) as a solution proposed by the financial industry or
- 3) as a solution that represents generally accepted market practice.

The official replacement concept represents:

- binding or non-binding statement of the Central Bank or any other supervisory or expert body of the financial sector established according to the relevant regulations or of other competent public body or
- solution defined by regulations.

The solution proposed by the financial industry represents any statement of the relevant financial bodies and companies<sup>3</sup>. A solution that represents generally accepted market practice is a solution that has already been used on the market to replace a parameter that ceases to exist or can no longer be applied in a materially large number of contracts, or some other solution that can be considered generally accepted on the market.

In any of these three cases, the alternative parameter obtained is used to recalculate obligations from financial

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<sup>2</sup> A significant material change in the methodology for calculating the reference rate or another parameter will be deemed to be a change that results in the reference value, calculated in accordance with the new methodology, no longer representing or adequately displaying the reference indicators or in terms of economic importance is no longer comparable to the relevant reference value, determined or calculated in accordance with the methodology used at the time of signing the loan agreement

<sup>3</sup> Relevant finance bodies and companies are considered (but not exclusively) International Swaps and Derivatives Association (ISDA), International Capital Markets Association (ICMA), Association for Financial Markets in Europe (AFME), Securities Industry and Financial Markets Association (SIFMA), SIFMA Asset Management Group (SIFMA AMG), Loan Markets Association (LMA), Deutsche Derivate Verbände (DDV), Zertifikate Forum Austria, Central Bank of Montenegro (CBCG)

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contracts, which would otherwise be calculated using a parameter that ceases to exist or can no longer be applied. In the event that none of the three solutions for the alternative parameter is available or feasible, Erste Bank will determine the method of replacing the parameter, or the method of recalculating the obligations from the loan agreement, which complies with all applicable regulations.

In any case, the alternative parameter or the method of calculation, must be as economical as possible equivalent to the parameter being changed, in order to provide as neutral a substitution as possible.

In case of replacement of administrators who calculate and publicly publish reference rates or other parameters and information systems that calculate them, Erste Bank will, without the need to change these General Terms and Conditions, use the information/services of new administrators or information systems. The replacement of the administrator does not constitute an event that would cause the cessation of existence or the impossibility of applying the agreed reference interest rate or other parameter whose movement changes the interest rate.

5.6.1.1.2. Erste Bank shall determine independently credit products with fixed and variable interest rates in accordance with applicable regulations.

5.6.1.1.3. Regular interest is contractual interest that is calculated from the date of transfer of the loan for repayment until the agreed maturity date. When repaying the loan in annuities, the regular interest is included in the annuity and is due on the same day as the principal. When repaying the loan in instalments, the maturity date of the contractual interest is separately agreed upon and may be due on the principal's due date or independently of the principal's maturity date.

5.6.1.1.4. Intercalary interest is contractual interest that is calculated on the amount of the used loan principal for the period from the loan disbursement to the date the loan is transferred to repayment, and is due in accordance with the loan agreement.

#### **5.6.1.2. Interest Calculation Methods**

5.6.1.2.1. Regular and intercalary interest shall be calculated for the calculation period using a simple decursive interest calculation with the application of a relative interest rate. The calculation period is the period in which Erste Bank calculates the contractual interest.

5.6.1.2.2. When repaying loans in annuities, regular interest shall be calculated using the decursive proportional German method, which means that it is calculated based on 30 days in a month and 360 days in a year.

5.6.1.2.3. When repaying the loan in instalments, the regular interest shall be calculated using the decursive proportional French method, which means that it is calculated based on the actual number of days in the calculation period and 360 days in a year.

5.6.1.2.4. Intercalary interest shall be calculated using the decursive proportional French method, which means that it is calculated based on the actual number of days in the calculation period and 360 days in a year.

5.6.1.2.5. In the event of the need to calculate interest within the calculation period, for example in case of premature partial repayment of the loan or repayment of the loan in full, the French method is applied based on the actual number of days in the calculation period and 360 days in a year.

#### **5.6.1.3. Default Interest Rate**

5.6.1.3.1. In the event that the Client is late in paying an obligation to Erste Bank, Erste Bank shall calculate and charge late payment interest from the due date of the particular obligation until the day of settlement.

5.6.1.3.2. Erste Bank shall calculate default interest in the amount of 9.00% per year on the principal amount due.

#### **5.6.1.4. Effective Interest Rate (EIR)**

5.6.1.4.1. The effective interest rate is an indicator of the total price of the loan, and it shall be calculated in accordance with applicable regulations and regulations of the Central Bank of Montenegro. Erste Bank shall publish

and state EIR by individual types of loans in Erste Bank branches and on its website and it shall be stated as a representative example. Erste Bank shall present the EIR to the Client before and at the conclusion of the loan agreement. The EIR that is calculated at the conclusion of the loan agreement shall be calculated based on the specific conditions agreed with the Client and is stated in the repayment plan.

#### 5.6.1.5. Fees

5.6.1.5.1. Erste Bank shall charge the costs incurred by providing its services as fees.

5.6.1.5.2. The amount of fees shall be stated in writing, and they are available to Clients in Erste Bank branches and on the website.

5.6.1.5.3. If the amount of the fee is expressed as a percentage number with a defined minimum and/or maximum amount, the fee shall be calculated so that the stated percentage is calculated and charged. In cases where the calculated percentage is lower than the defined minimum amount, the specified minimum amount shall be calculated and charged, and in cases where the calculated percentage is higher than the defined maximum amount, the maximum amount shall be calculated and charged.

5.6.1.5.4. Erste bank shall notify the Client on changes in fees by publishing them in Erste bank branches and on the website, unless a different method of notification is specified by mandatory regulation.

5.6.1.5.5. All fees that the Client is obliged to settle shall be stipulated in the loan agreement. Fees in loan operations shall be prescribed by the Catalogue and shall be available in written form in Erste Bank branches or on the website, and, during the loan relationship, Erste Bank shall not charge a fee that was not contained in the Catalogue at the time of concluding the loan agreement.

### 5.7. Loan Repayment

5.7.1. The loan shall be transferred to repayment upon payment of the entire approved amount of the loan or upon payment of a partial amount of the loan with the expiry of the term of the loan (the date of transfer of the loan to repayment). Repayment of the loan shall be carried out after the date of transfer of the loan for repayment in the agreed annuities/instalments.

5.7.2. The repayment plan shall be delivered to the Client in writing when concluding the loan agreement and it shall contain information on loan, number and amount of annuity/instalment, repayment term, EIR and others in accordance with applicable regulations.

5.7.3. The way of loan repayment can be contracted in annuities and instalments in accordance with the Catalogue.

5.7.3.1. When repaying the loan in annuities, the annuity shall always be of the same amount, in which the ratio of the amount related to the repayment of the contractual interest and principal shall change.

5.7.3.2. Repayment of the loan in instalments is a method of repayment in which the total loan principal is divided into the agreed number of instalments, whereby the principal amount in each instalment is the same throughout the entire repayment period, and the interest is calculated and charged on the remaining principal amount on the day of interest calculation. When repaying in instalments, the amounts of individual repayments (principal + interest repayment) are different and depend on the calculated amount of interest on the remaining principal.

5.7.4. The method and dynamics of repayment of loan products shall be regulated by the Catalogue, and contracted separately for each individual loan.

### 5.8. Grace Period

5.8.1. A grace period is a period of deferment of principal repayment, during which contractual interest shall be calculated and charged on the principal not due, and which may be agreed upon and used at the beginning or during loan repayment for certain loans and categories of Clients in accordance with Erste Bank's business

practice.

5.8.2. Interest during the grace period shall be calculated and charged monthly. Interest shall be calculated using the decursive proportional French method based on the actual number of days in the calculation period and 360 days in a year.

## 5.9. Moratorium

5.9.1. A moratorium during loan repayment is a period in which the principal is not due, interest or fees are charged, and it can be agreed upon for certain loans and categories of Clients in accordance with Erste Bank's business practice.

5.9.2. Interest during the moratorium shall be calculated and charged monthly. Interest shall be calculated using the decursive proportional French method based on the actual number of days in the calculation period and 360 days in a year.

## 5.10. Premature Loan Repayment

5.10.1. In case of premature repayment of the loan, in part or in full, Erste Bank shall be entitled to charge a fee in accordance with the loan agreement, Catalogue and applicable regulations. At the same time, Erste Bank will also collect all receivables due by the time of premature repayment.

5.10.2. Within 3 months after receiving the notification about the interest rate change, the Client shall be entitled to repay the loan early if he does not agree with the change in question without the obligation to pay any fee to Erste Bank.

5.10.3. Before the premature repayment of the loan, the Client shall submit an application for premature repayment of the loan, and after submitting this application, to pay the amount for part of the loan, which partially or fully settles the obligations under the loan.

5.10.4. If the Client does not submit a request for premature repayment, and pays for part of the loan an amount sufficient to settle the loan in full, Erste Bank shall be authorised (but not obliged) to use the said payment for premature repayment of the loan. Exceptionally, if Erste Bank's obligations related to the premature repayment of the loan are prescribed by applicable regulations, and which Erste Bank is required to fulfil before the premature repayment of the loan, Erste Bank shall not be authorised to use any payment from the Client for premature repayment of the loan without submitting request for premature repayment of the loan, during which time that payment will be used to settle regular loan obligations in accordance with the provisions of the loan agreement and these General Terms and Conditions.

5.10.5. If the Client pays for a part of the loan an amount that is sufficient only for partial settlement of the loan obligations, and has not submitted a request for premature repayment of the loan, in that case Erste Bank shall not be authorised to act in accordance with the previous point.

## 5.11. Right to Withdraw from Loan Agreement

5.11.1. In case of loan agreements, for which mandatory regulations regulate the right to withdraw from the contract, Erste Bank will notify the Client about this before entering into the loan agreement, and this right to withdraw from the contract will be clearly stipulated in the loan agreement itself.

## 5.12. Order of Closing Due Debt

5.12.1. Erste Bank will close the Client's due debt according to the age of the debt, and if the debts are of the same age, liabilities will be closed as follows: costs, fees, default interest, regular interest, principal due

5.12.2. In the case of Clients who settle their obligations irregularly, Erste Bank shall reserve the right to change the order of closing the due debts without prior notification to the Client.

### 5.13. Settlement of Loan Obligations

5.13.1. Obligations under the loan agreement shall be considered properly settled if the amount of the due obligation is settled in accordance with Article 1.3.4. of the General Terms and Conditions.

5.13.2. All overpaid funds or funds paid before the due date to the credit account shall close the due debt, and exceptionally in the case of certain types of loans, they may also close the non-matured debt in the amount and according to the conditions defined in the loan agreement, if the Client has no overdue outstanding debts in Erste Bank on other grounds.

5.13.3. The Client shall be authorised at any time to request the return of early paid funds or to use them to close the debt not due, provided that in this case the conditions prescribed in Article 5.10 General Terms and Condition shall apply.

5.13.4. Erste Bank shall not calculate interest on overpaid funds and/or funds paid before the due date.

5.13.5. The co-debtor, guarantor and persons with a similar legal interest shall be authorised in whole or in part, regardless of maturity, to settle the Client's financial obligations, to which the Client shall give his express consent by accepting these General Terms and Conditions. This does not exclude the possibility of Erste Bank to receive fulfilment from any third party when the legal prerequisites are met.

5.13.6. The possibility and terms and conditions for compensation of a loan and deposit, which is pledged as an instrument to secure that loan, shall be prescribed legally or contractually. Legal compensation shall be possible if the monetary claims are mutual, due and actionable, and if the will to compensate is expressed. Contractual compensation shall be possible if the amount of the deposit is sufficient to settle the obligations from the loan agreement concerned in full.

5.13.7. Without the prior express written consent of Erste Bank, the Client shall not pledge, assign or in any other way encumber or alienate any of his rights in connection with the loan or in connection with any other product or service of Erste Bank, nor take any action that would make it impossible Erste Bank collection in connection with the loan or in connection with any other product or service of Erste Bank. Disposing of any rights or claims of the Client in terms of assignment or transfer of such rights or claims in connection with the loan or in connection with any other product or service of Erste Bank, shall require the express prior consent of Erste Bank in writing.

### 5.14. Consequences of Default on Loan Agreement

5.14.1. In the event of a delay in payment of due obligations and/or performance of any obligations related to the loan agreement, Erste Bank shall be entitled to use all security instruments for the purpose of settling the entire debt and fulfilling the Client's due obligations, to cancel the loan agreement, whereby the claim of Erste of the bank is due in full and before the regular maturity, and to demand forced collection of the loan principal together with due interest, default interest, costs and other claims in accordance with the contract and applicable regulations. The Client will bear all costs incurred due to the described default within the stipulated period, such as legal, notary, public bailiffs, administrative, court and other costs in connection with the forced collection (execution) procedure.

## Complaint Submission Procedure

Article 6.

**6.1.** If the Client believes that in the business relationship with Erste Bank any of his rights have been violated or is dissatisfied with the service or product of Erste Bank that he contracted or intends to contract, he may submit a reasoned written complaint to Erste Bank at its business address or by mail to Erste Bank AD Podgorica, Podgorica, Arsenija Boljevića 2A or by e-mail to the address [vasemisljenje@erstebank.me](mailto:vasemisljenje@erstebank.me), via the complaint web form available



on the website of Erste Bank [www.erstebank.me](http://www.erstebank.me) or submit a written complaint to an Erste Bank branch indicating that it is a complaint. Employees of Erste Bank will forward the complaint to the competent organisational unit for handling complaints.

**6.2.** The complaint should contain the name and surname of the Client, a detailed description of the event/situation (all facts and circumstances with relevant dates) and, if possible, proof that the Client's complaint is founded. When submitting a complaint, it is preferable for the Client to state his unique identification number. If the provided description of the event/situation and/or evidence is incomplete, Erste Bank may request that the Client complete the complaint, and Erste Bank shall not be liable for any adverse consequences of an incomplete complaint.

**6.3.** Erste Bank will inform the Client in writing or via email about the merits of the complaint and about the measures and actions it undertakes.

**6.4.** The Client may also send a complaint to the Central Bank of Montenegro.

## Final and Transitional Provisions

### Article 7.

7.1. The relations, mutual rights and obligations of the Client and Erste Bank shall be governed by the laws of Montenegro, and the term applicable regulations shall be considered as applicable regulations of Montenegro, unless expressly agreed otherwise.

7.2. For the resolution of possible disputes arising from the business relationship between the Client and Erste Bank, the courts of subject-matter jurisdiction at the headquarters of Erste Bank shall have the territorial jurisdiction, unless expressly agreed otherwise, or if there is no exclusive jurisdiction of another court or competent authority. The place of contracting and performance of Erste Bank's services is Montenegro, unless expressly agreed otherwise.

7.3. Erste Bank shall reserve the discretion to amend the General Terms and Conditions and Acts of Erste Bank in accordance with legal and secondary legislation regulations and Erste Bank's business practices.

7.4. Erste Bank's General Terms and Conditions and Acts and all amendments thereof shall be published in Erste Bank's branches and on the website and come into force and shall apply at the earliest 15 (fifteen) days from the date of publication, unless mandatory regulations stipulate otherwise.

7.5. It shall be considered that the Client has accepted the General Terms and Conditions and Acts of Erste Bank and all their amendments if the Client does not submit a written objection to Erste Bank within 15 (fifteen) days from the date of publication. If the Client submits a written objection within the specified period, Erste Bank shall be authorised solely at its own discretion to:

- a) cancel the contractual relationship with the Client or
- b) cancel the contractual relationship with the Client and offer to enter into an agreement under amended conditions.

7.6. The provisions of these General Terms and Conditions shall enter into force and apply from August 10, 2022, in accordance with the Law on Credit Institutions, except for the provisions of Article 2, paragraph 2.2. point 2.2.4 of the General Terms and Conditions, which is to be applied simultaneously with the beginning of the application of the Law on the Comparability of Fees Associated with Consumer Payment Accounts, Transferring Consumer Payment Accounts and Payment Account with Basic Services (Official Gazette of Montenegro, No. 145/ 21 of December 31, 2021).

7.7. With the entry into force and the beginning of the application of these General Terms and Conditions, the General Business Terms and Conditions of Erste Bank AD Podgorica, which were in force from December 15, 2021, shall be revoked.