

GENERAL TERMS AND CONDITIONS FOR PROVIDING OVERDRAFT LOANS

I. GENERAL PROVISIONS

1. These General Terms and Conditions apply to an overdraft loan (referred to hereinafter as "loan" or "overdraft"), which DSK Bank AD (Lender) provides to individuals, and represent an integral part of the loan agreement.

II. UTILIZATION (USE) OF THE LOAN

2.1. The loan shall be provided to the current account of the Borrower, opened with DSK Bank.

2.2. The loan shall be utilized one-off or in portions after the date of establishing the collateral stipulated in the agreement.

3. The utilized portion of the overdraft shall be repaid automatically upon each receipt of amounts on the current account. In case of partial or complete repayment of the utilized overdraft from receipts on the current account, the same can be utilized again, up to the agreed amount (revolving).

4. The term for using the loan stipulated in the Agreement shall be automatically renewed, provided that the interest and fees due as of the expiry date have been paid and if neither party has sent to the other a statement in writing regarding terminating the use of the overdraft at least 30 days before the due date.

III. INTEREST LOAN EXPENSES

5.1 The loan shall bear interest at a variable interest rate, subject to the value of the reference interest rate stipulated in the agreement or determined in the cases and according to the procedure under item 5.2.3. The reference interest rate is an interest rate benchmark or index and/or indicator officially published on the BNB website, or a combination of such indices and/or indicators, and in case it is determined under item 5.2.3, it shall also include an equalizing surcharge/discount. In case the value of the respective reference interest rate is negative, it shall be considered 0%.

5.2.1. The variable interest rate, subject to the reference interest rate, shall be changed by the Lender twice a year, on 15 January and on 15 July. The change shall be made according to the value of the interest rate benchmark or index and/or indicator used by the Lender announced two business days before 15 January and 15 July.

5.2.2 In case the interest rate benchmark or index and/or indicator used by the Lender to determine the reference interest rate has no value at 12 o'clock Bulgarian time on the day, which is two business days before 15 January or 15 July, the Lender shall use the last published value until a new one is published.

5.2.3.1 In case the interest benchmark or index and/or indicator, used by the Lender to determine the reference interest rate changes significantly or is no longer issued, the Lender shall set a new reference interest rate using:

a) another appropriate interest rate benchmark; or
b) an index and/or indicator officially published on the BNB website, or a combination of such indices and/or indicators representing the statistical information relevant to the banking system on the local market.

5.2.3.2 A given interest rate benchmark under item 5.2.3.1, para. "a" is considered suitable if it has the following characteristics :

a) it refers to the currency of the interest rate benchmark being replaced. By exception, it may refer to another currency when the two currencies can be considered interchangeable (e.g. BGN and EUR as there is a Currency Board).

b) it has the same maturity as the interest rate benchmark being replaced,

c) it meets the criteria for an official interest rate benchmark in Annex No. 1 to Regulation 2016/1011 of the European Parliament and of the Council

5.2.3.3. The indices and/or indicators under item 5.2.3.1, para. "b" should be at least consistent with the currency of the interest rate benchmark or index and/or indicator being replaced, and may be based on a combination of currencies where those currencies can be considered interchangeable.

5.2.3.4. The new reference interest rate takes into account the client segment for which it is used and reflects the specifics of the local financial market.

5.2.3.5. The reference interest rate is replaced within 3 months after the used benchmark or index and/or indicator has changed significantly or is no longer issued. Until replacing the

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reference interest rate, it shall remain fixed at the value determined at the last change of the interest rate benchmark or index and/or indicator used.

5.2.3.6. The new reference interest rate, along with the elements under item 5.2.3.1., shall include an equalizing surcharge or discount, so that the final interest payable to or due by the client can remain unchanged at the replacement date.

5.3.1. The Lender shall announce on its website and in its commercial offices the values of the reference interest rate and its components.

5.3.2. When determining a new reference interest rate under item 5.2.3. The Lender shall notify the Borrower of the changes, as well as of the new interest rate benchmark or index and/or indicator, which will be used to determine the reference interest rate, with a notice at a prominent place in its offices and on its website.

5.3.3. In case of changes in the values of the reference interest rate on the dates referred to item 5.2.1, the Lender shall provide the Borrower with information upon his/her appearance in an office of the Lender. The information under the previous sentence shall be sent to the Borrower and once a year in one of the following ways: to the last correspondence address indicated by the Borrower, by e-mail which is indicated by the Borrower, through internet banking DSK Direct. The Borrower shall specify in the loan agreement his/her preferred method of receiving information.

5.4. If between the date of the loan agreement and the utilization/ first drawdown of funds from the loan the value of the reference interest rate changes within the terms and conditions, and in line with the procedure under items 5.2.1 and 5.2.3., an up-dated variable interest rate shall be applied based on the new value of the reference interest rate.

5.5. Interest shall be accrued daily on the amount actually utilized, without being capitalized. The interest accrued on the utilized portion of the authorized overdraft shall be due monthly on the maturity date.

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6. When accruing interest, the month is counted as 30 (thirty) days, and the year as 360 (three hundred and sixty) days.

7. The Borrower shall pay to the Lender fees and commissions, according to the Tariff for interest, fees and commissions, which DSK Bank applies services provided to the client. When the Borrower fails to pay the amounts due, the amount of the debt shall be increased by the same amount.

8.1. The annual percentage rate of charge (APRC) expresses the total costs as an annual percentage of the total loan amount. The amount of APRC shall include:

a) interest;

b) fees that the client owes to the Lender, according to an Appendix - extract from the Tariff of the Bank;

c) an opening fee and monthly maintenance fee for the current account, through which the provided loan shall be serviced, only in case this current account of the Borrower is opened on the day of registering the loan agreement with the Lender.

9.1. The APRC shall not include the following costs, which shall be covered by the Borrower:

a) the costs to be paid by the Borrower for default on its obligations under the loan agreement;

b) the notary fees relating to the establishment of the collateral.

IV. REPAYMENT

10. The amounts due for interest shall be collected monthly automatically by the Lender on the due date specified in the agreement, from the balance on the Borrower's current account, opened with DSK Bank.

11. When the maturity date under item 10 falls a non-business day, the amounts due for interest shall be collected automatically by the Lender on the first business day after it.

12. When on the due date there are not enough

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funds on the current account to pay the due interest, the Lender shall repay it automatically at the expense of the non-utilized overdraft loan (if any) or against an excess of the agreed overdraft amount (unauthorized overdraft).

13. The Borrower shall repay the utilized portion of the agreed overdraft loan:

13.1. upon expiration of the loan deadline provided for in the agreement or of the renewed deadline (final maturity date) and in case the conditions for automatic renewal of the loan term are not met;

13.2. in case of accelerated due date of the loan under item 22.1.

V. OBLIGATIONS OF THE PARTIES

14. The Borrower undertakes:

1. to use a current account with DSK Bank;
2. to provide on its current account at the latest on the due date an amount at least in the amount of the due interests on the utilized portion of the loan;
3. to provide on its current account an amount for the payment of the due fees and for the repayment of the unauthorized overdraft, immediately after becoming aware of the excess;
4. to repay the loan under the agreed conditions;
5. to guarantee the receivable of the Lender under the Agreement with the collateral provided under it, not to expropriate or repledge the collateral provided to the Lender without the Lender's explicit consent;
6. to provide the Lender with any requested information and documents relating to the utilization and repayment of the loan, as well as with the information needed to assess the Borrower's creditworthiness during the term of the loan, in accordance with Art. 61 of the Credit Institutions Act. In case of failure to submit this information or in case of presenting incorrect information, the Lender shall have the right

to accelerate the loan;

7. to notify the Lender in case of changing his / her place of work, place of residence, any of his / her addresses specified in the loan agreement or upon retirement.

15. The Lender undertakes:

1. To provide the authorized loan under the agreed terms and conditions.
2. To provide in its offices, upon request and free of charge to the Borrower information on the movement on the current account on which the loan is provided, during the validity of the loan agreement, in the form of an account statement on payments - the information shall be provided only to the account holder.

VI. COLLATERAL

16. The loans shall be secured by collateral, determined by the Lender by type, value and sufficiency.

17.1. The relevant collateral agreements shall be concluded in the form required by law.

17.2. The state, notary and other fees for establishment, renewal and cancellation of the collaterals shall be at the expense of the Borrower.

18. At the discretion of the Lender, the collateral may be released at the request of the Borrower, if the assessment of the remaining collateral is sufficient to cover the balance of the loan, according to the internal rules of the Lender.

VII. SUSPENSION AND TERMINATION OF USE

19.1. The right of the Borrower to use funds from the loan shall be suspended:

19.1.1. in case of failure to pay on the maturity date under item 10 of the amounts due for interest in the course of three consecutive months, as of the last maturity date on which such amounts were repaid;

19.1.2. in case of failure to pay the amount of the unauthorized overdraft within three months of the date it arose;

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19.1.3. in case an attachment is imposed on the current account, of which the Lender shall notify the Borrower in writing;

19.2. The right to use the loan shall be renewed:

19.2.1. in the cases under item 19.1.1 - if the due regular interests, as well as the utilized principal are repaid within 30 days from the suspension of the right to use;

19.2.2. in the cases under item 19.1.2 - if the amount of the unauthorized overdraft is repaid within 30 days from the suspension of the right to use;

19.2.3. in the cases under item 19.1.3 - upon lifting / execution of the attachment.

20. The right to use the loan shall be terminated and it may not be renewed:

20.1. If the amounts under items 19.2.1 and 19.2.2 are not repaid within the 30-day period;

20.3. In case there is another prerequisite under item 22.1.

20.2. In the cases under item 13.1;

VIII. LIABILITY AND SANCTIONS

21. When the Borrower stops using the loan, the Lender shall be released from the commitment to provide the non-utilized portion of the loan.

22.1. The Lender shall have the right to accelerate the utilized principal of the loan in the following cases:

1. In case of failure to pay the amounts under items 19.2.1 and 19.2.2 within the 30-day term;
2. when the Borrower defaults on another loan used from the Lender due to serious deterioration of its financial condition;
3. The Borrower has provided incorrect information to the Lender before the authorization and/or during the servicing of the loan;
4. upon termination of the Borrower's employment contract;
5. in case of any other default on behalf of the Borrower on the clauses of the Agreement and these General Terms and Conditions, as well as in other cases

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provided by law.

22.2. The Lender shall exercise its right under item 22.1.2. by sending an invitation to the Borrower to repay the outstanding amount within 2 weeks upon receipt of the invitation. After the expiration of this term, this loan shall be accelerated.

22.3. The accelerated due date shall occur upon notification to the Borrower and the Lender shall take actions to collect its receivables, also by enforcement.

The enforcement fees to collect the receivable, paid by the Lender, shall be covered by the Borrower, in compliance with the current legislation, and the debt shall be increased by their amount.

22.5. The Lender shall have the right to collect its receivables automatically, without court intervention from the pledged deposit and any other accounts of the Borrower, opened with DSK Bank, and the Borrower grants its consent upon signing this agreement.

22.6. If the loan is due - at final or accelerated maturity - the utilized principal shall bear interest at the statutory interest under Art. 86 of the Obligations and Contracts Act, until the complete repayment of the debt, including by enforcement.

IX. OTHER COVENANTS

23. All the notifications, invitations and other messages sent by the Lender to the Borrower at the last address indicated by the Borrower shall be deemed served, unless otherwise provided in these General Terms and Conditions.

24. The claim of the Lender in respect of the Borrower's heirs may be collected by his/her heirs according to their relevant shares.

25. The Lender shall have the right to transfer to a third party its rights under the overdraft loan agreement.

26. The personal data is processed for the purposes of the automatic exchange of financial information in the field of taxation according to the Tax and Social Security Procedure Code

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automatically in compliance with the Law of the European Union, the Personal Data Protection Act and the international treaties to which the Republic of Bulgaria is a party. In order to fulfill its statutory obligations, the Lender shall apply due diligence procedures for the clients, and shall also provide information to the National Revenue Agency.

X. RIGHT TO WITHDRAW FROM THE OVERDRAFT LOAN AGREEMENT

27. The Borrower shall have the right, without having to pay any compensation or penalty and without stating any reason, to withdraw from the concluded loan agreement within 14 days from the date of the loan agreement.

28. The right to withdraw from the concluded loan agreement shall be deemed exercised provided that the Borrower sends a notification to the Lender before the deadline under item 27.

29. The notification under item 28 shall be sent on paper or any other durable medium, to which the Lender has access, in a way that can be proved in compliance with the current legislation.

30. When the Borrower exercises his/her right to withdraw from the loan agreement, he/she shall return to the Lender the principal and shall pay the interest accrued for the period from the date the funds under the loan were utilized to the date the principal was repaid, without undue delay and not later than 30 calendar days after sending the notification to the Lender on exercising the right of withdrawal. The interest shall be calculated on the basis of the agreed interest rate stipulated in the loan agreement.

31. The Borrower's withdrawal from the concluded loan agreement shall enter into force and the agreement shall be terminated if the notification is made within the term and in compliance with the procedure under items 27 and 28 and provided the condition under item 30 is fulfilled.

XI. TERMINATION OF THE LOAN AGREEMENT

32. The loan agreement may be terminated:

- a) in the cases under item 31 of these General

Terms and Conditions;

b) upon full repayment of all due fees, interest and principal, on the basis of a request in writing from the Borrower, made outside the term for termination under para. "c".

c) upon expiration of the term stipulated in the Agreement, if one of the parties has sent a statement in writing to the other regarding termination at least 30 days before the final maturity date and upon full repayment by the Borrower of all due fees, interest and principal.

33. In case no notice of termination in writing has been sent within the term under item 32, para. "c", but by the final maturity date the Borrower has repaid all the amounts due, the agreement shall not be terminated and its term shall be automatically renewed

XII XI. OUT-OF-COURT SETTLEMENT OF DISPUTES

34. The Lender shall consider each received objection in connection with a consumer loan and shall notify in writing the sender of the objection of his/her decision within 30 days upon receipt.

35. In case the Lender fails to consider within the term provided for under item 34 and when the decision of the Lender does not satisfy the Borrower, the Borrower shall have the right to refer the dispute for consideration by the conciliation commissions established under Chapter Nine, Section III of the Law on Consumer Protection when his/her rights and legitimate interests have been infringed upon.

36. The submission of an objection or complaint by the Borrower in connection with the consumer loan agreement is not a mandatory prerequisite for initiating conciliation proceedings under item 35.

37. The Borrower shall have the right to file complaints relating to consumer loan agreements or to credit intermediary agreements for consumer loans to:

- 1. the Consumer Protection Commission as a body supervising compliance with the requirements of the Consumer Loans Act and the

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Consumer Protection Act:
Place Sofia, Postcode 1000
Vrabcha 1 Str., fl. 3, 4 and 5.
Hotline 070011122
E-mail: info@kzp.bg

place Sofia, Postcode 1000
Vrabcha 1 Str.
tel. 02/9330 577
web page: www.kzp.bg
e-mail: adr.credits@kzp.bg

2. Sectoral Conciliation Commission for dispute resolution in the field of financial services, including the provision of remote financial services relating to the provision of consumer and mortgage loans:

The Commission has been recognized as an Alternative Dispute Resolution body meeting the requirements set out in the Consumer Protection Act.

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