

# GENERAL TERMS AND CONDITIONS FOR COMMODITY LOANS

Credit request No...../.....

## I. GENERAL PROVISIONS

1. These General Terms and Conditions apply to commodity loan agreements, which DSK Bank AD (Lender) provides to individuals and are an integral part of the respective loan agreement.

## II. UTILISATION OF THE LOAN

2. The loan is utilized once off, and the borrowed funds are transferred to the bank account of the Trader. The loan amount provided to finance insurance, if any, is utilised once off, cashless, to an account specified by the Insurers.

3. The Borrower undertakes to utilise the amount or make the first utilisation of the loan within the day, as of the loan agreement date. Upon expiration of this term, the Lender has no obligation to provide the loan.

## III. INTEREST. LOAN EXPENSES

4. The loan bears interest at a fixed interest rate.

4.1. The interest is accrued on the utilised and non-repaid part of the loan and is payable monthly.

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

4.3. The interest rate per day is calculated by dividing the agreed interest rate on the respective loan by 360 days.

5. The Borrower pays fees and commissions to the Lender, according to the Tariff for fees and commissions of DSK Bank AD, as well as any other expenses for servicing the debt and for the enforcement of the receivable. When the Borrower fails to pay the amounts due, the debt is increased by the amount due.

6. The annual percentage rate of charge (APRC) expresses the total costs as an annual percentage of the total amount of the loan granted. The APRC amount is specified

in the repayment plan, an integral part of the loan agreement and it includes the interest accrued under the agreement.

6.1. The APRC does not include the costs that the Borrower must pay for nonfulfillment of its obligations under the loan agreement, which shall be paid by the Borrower;

6.2. The total amount due by the Borrower, specified in the repayment plan, includes the loan principal and the expenses under item 6.

## IV. REPAYMENT

7. The monthly instalments due for interest and principal are collected automatically on the maturity date by the Lender from the balance on the loan repayment account, specified in the Agreement. In case of overdue instalments they are collected upon receipt of any amounts on the loan repayment account until repaying the overdue amounts.

7.1. The due monthly installments are repaid in the currency of the loan.

7.2. When the due date under item 7 is a day off, the due monthly installments are collected automatically by the Lender on the next business day.

8. The Borrower has the right to repay in advance at any time part or all of the balance of the loan, and the Lender has no right to refuse to accept early repayment under the loan agreement.

8.1. Amounts above the due monthly installments shall be repaid based on an order by the Borrower, only from the loan repayment account.

8.2. In case the repayment amount exceeds the amount of the monthly instalment under the repayment plan, the Borrower shall not be exempted from payment of each subsequent monthly instalment, in the amount and within the terms as per the repayment plan. The overpaid amount shall be deducted from the

**BORROWER:**

.....

**CREDITOR:**

.....

balance of the loan against the last instalments. In case a new repayment plan is prepared, for whatever reason, the pre-paid amounts shall be taken into consideration and a repayment plan is prepared for the remaining term of the loan.

8.3. In case of one-time repayment outside the monthly installment of at least 10% of the approved loan amount, upon request in writing by the Borrower, the due monthly payments on interest and on principal shall be recalculated. The recalculation takes place on the first monthly maturity date following the request in writing, and a copy of the amended repayment plan is provided to the Borrower.

8.4. The borrower owes compensation for early repayment of the loan in the following cases: for loans with a remaining contract period of more than one year - a fee of 1% on the amount of the prepaid amount, for loans with a remaining contract period of 1 year or less - a fee of 0.5% on the amount of the prepaid amount

9. Early repayment leads to a reduction in the total cost of the loan, and this reduction relates to the interest and costs on the early repaid amount for the remaining term of the loan agreement.

## **V. OBLIGATIONS OF THE PARTIES**

10. The Borrower undertakes:

1. to secure in the loan repayment account, not later than the due date, at least an amount equal to the due repayment installment (principal, interest, as well as fees and commissions, if due);
2. to repay the loan under the terms and conditions of the loan agreement;
3. to provide the Lender with any requested information and documents related to the utilisation and repayment of the loan, as well as the information necessary to assess the solvency of the Borrower during the loan period, in accordance with Art. 61 of the Credit Institutions Act /CIA/. In case of failure to submit this information or in case of

presenting incorrect information, the Lender has the right to accelerate the loan;

4. to notify the Lender in case of changing of its workplace, place of residence or in case of retirement;

11. The Lender undertakes:

1. to provide the approved loan under the agreed terms and conditions.

2. to provide upon the Borrower's request information on the status of the loan in the Lender's offices, free of charge, during the term of the loan agreement, in the form of a statement of account regarding the payments made and a repayment plan with the forthcoming payments;

3. to provide, upon the Borrower's request, information on the movements on the loan repayment account.

## **VI. LIABILITIES AND PENALTIES**

12. In case of delayed payment of the monthly installment, the part of the installment representing the principal shall bear interest from the day following the due date specified in the Agreement at the agreed interest rate plus a penalty interest of 10 (ten) percentage points. If the Borrower repays the monthly installment due by the seventh day after the due date, the penalty interest shall not apply.

12.1. In case of delayed payments of principal and/or interest for over 90 days, the entire outstanding balance of the principal shall be accelerated. The consequences from the previous sentence occur automatically, and if required by law - following notification to the Borrower, sent to the latest correspondence address specified by the Borrower.

12.2. From the loan due date - at final or accelerated maturity (the loan repayment deadline), the entire outstanding balance of the principal shall bear interest at the statutory interest rate under Art. 86 of the Contracts and Obligations Act, until the complete repayment of the debt, including by enforcement.

**BORROWER:**

.....

**CREDITOR:**

.....

13. The Lender has the right to accelerate the loan in the following cases:

- 1. in case the Borrower fails to repay on time the agreed interest and/or principal instalments;
- 2. in case the Borrower has provided incorrect information to the Lender before the approval of the loan or during the servicing of the loan;
- 3. in case of any other non-compliance by the Borrower with the clauses of the Loan Agreement and these General Terms and Conditions, and in other cases as provided by law.

13.1. The accelerated loan is treated as overdue and interest shall be charged at the rate under item 12.2.

13.2. In case the Borrower uses more than one loan granted by the Lender, the Lender has the right, in case one loan is accelerated due to serious deterioration of the Borrower's financial condition, to accelerate the other loans used by the Borrower, whether or not they are regular.

13.3. The Bank shall exercise its right under item 13.2 by sending an invitation to the Borrower to pay the outstanding amounts within 2 weeks upon receipt of the invitation. After the expiration of this term, the other loans, specified by the Lender, shall be accelerated.

14. The accelerated loan is collected in accordance with the relevant legal procedure, including through selling the collateral. The fees for enforcing the collateral, paid by the Lender, are at the expense of the Borrower, in compliance with the current legislation, and the debt shall be increased by these fees.

14.1. In case the Borrower fails to fulfil any of its obligations under this or another agreement with the Bank, the Bank has the right to refuse or suspend the utilisation of the loans used by the Borrower until remedying the default or to accelerate the repayment of the utilised amounts of loans used by the Borrower in

compliance with Art. 432 of the Commerce Act.

**VII. OTHER COVENANTS**

15. All Borrowers (if there is more than one Borrower as a party to the Agreement), respectively their heirs, are jointly and severally liable to the Lender for the receivables under the loan agreement and according to these GTC, and the receivable may be collected in full from any of them and/or their heirs according to their inheritance shares.

16. The Lender has the right to transfer to a third party its rights under the loan agreement.

17. Life insurance or any other insurance where the subject is property or non-property benefit for the Borrower, under which DSK Bank is also a beneficiary, does not release the Borrower, respectively its heirs, from fulfillment of the obligations under the loan agreement and these General Terms and Conditions, except for the amount paid by the insurer and used to repay the loan.

**VIII. RIGHT TO WITHDRAW FROM A CONSUMER LOAN AGREEMENT**

18. The Borrower has the right, without paying compensation or penalty and without stating a reason, to withdraw from a concluded consumer loan agreement within 14 days after the loan agreement date.

19. The right to withdraw from a concluded consumer loan agreement shall be deemed exercised, provided the Borrower sends a notification to the Lender before the expiration of the term under item 18.

20. The notification under item 19 must be on paper or other durable medium, ensuring unaltered reproduction of the stored information, to which the Lender has access, in a way that can be proved in compliance with the current legislation.

21. When the Borrower exercises its right to withdraw from the loan agreement, the Borrower shall repay the principal to the Lender and shall pay the interest accrued for

**BORROWER:**

.....

**CREDITOR:**

.....

the period from the date of utilisation of the funds to the date of repayment of the principal under the loan, without unjustified delay and not later than 30 calendar days after sending the notification to the Lender regarding exercising the Borrower's right to withdraw. The interest is calculated on the basis of the interest rate stipulated in the agreement.

22. When the right to withdraw from the loan agreement is exercised simultaneously with terminating the contract for sale of goods/ delivery of the service, whose acquisition is financed by the loan and the Client returns the goods to the Trader/ discontinues using the service, the amounts under item 21 shall be returned by the Trader.

23. The Borrower's withdrawal from the concluded loan agreement shall enter into force and the agreement shall be terminated if the notification is sent within the term and in compliance with the procedure under items 18 and 19 and the amount under item 21 is returned to the Lender.

## **IX. TERMINATING THE LOAN AGREEMENT**

24. The loan agreement shall be terminated:

a. in the cases of item 23 of these General Terms and Conditions

b. when the Borrower repays completely its obligations under the loan agreement, including before the expiration of the term of the loan.

## **X. OUT-OF-COURT DISPUTE RESOLUTIONS**

25. The Lender shall be obliged to pass a decision and notify in writing the Borrower of its decision on each received objection in relation to a consumer loan within 30 days of receipt.

25.1. In case the Lender does not pass a decision within the period referred to in item 25 and when the decision of the Lender does not satisfy the Borrower, the Borrower has the right to refer the dispute to the conciliation committees set up under Chapter

**BORROWER:**

.....

Nine, Section III of the Consumer Protection Act, when its rights and legitimate interests have been infringed.

25.2. The submission of an objection or complaint by Borrowers in relation to the consumer loan agreement is not a mandatory prerequisite in view of initiating conciliation proceedings under item 25.1.

26. The Borrower has the right to file complaints related to consumer loan agreements or consumer loan intermediation agreements to:

1. The Commission for Consumer Protection as a body supervising compliance with the requirements of the Consumer Loans Act and the Contracts and Obligations Act:

Sofia, 1000,

4A Slaveykov Sq. fl. 3, 4 and 6.

Hot line: 070011122

E-mail: [info@kzp.bg](mailto:info@kzp.bg)

2. The Sectoral Conciliation Commission regarding settlement of disputes in the field of financial services, including the provision of remote financial services related to the provision of consumer and mortgage loans:

Sofia, 1000,

4A Slaveykov Sq.

Tel: 02/9330 603

Web page [www.kzp.bg](http://www.kzp.bg)

e-mail: [adr.credits@kzp.bg](mailto:adr.credits@kzp.bg)

The Commission is recognized as an alternative dispute resolution body that meets the requirements set out in the Consumer Protection Act.

## **XI. AUTOMATIC EXCHANGE OF FINANCIAL INFORMATION**

27. Personal data for the purposes of automatic exchange of financial information in the field of taxation according to the Tax and Social Security Procedure Code is processed automatically in compliance with the European Union law, the Personal Data

**CREDITOR:**

.....

Protection Act and the international agreements where the Republic Bulgaria is a party. In order to fulfil its statutory obligations, the Bank applies due diligence procedures on clients, and provides additional information to the National Revenue Agency.

**BORROWER:**  
.....

**CREDITOR:**  
.....