

## **GENERAL TERMS AND CONDITIONS TO CONTRACTS AS PER FINANCIAL COLLATERAL ARRANGEMENTS LAW**

### **I. DEFINITIONS**

1. FINANCIAL OBLIGATIONS are payment obligations of the BORROWER to the BANK pursuant to the Loan Contract, designated in the present Contract and Annexes, for the payment of principal, interest, fees, penalty, commission fees, compensations for damages, costs, etc., including payment obligations set out in additional agreements to the Loan Contract.

2. FINANCIAL COLLATERAL in the sense of the present Contract is financial receivables of the COLLATERAL PROVIDER from the BANK where the funds are held in a bank account of the COLLATERAL PROVIDER with the BANK. The total amount of the receivables is set out in section 1 of the present Contract.

### **II. INTEREST**

3. The FINANCIAL COLLATERAL established with the present Contract also extends to the receivables for interest accrued on the funds in the bank account. Funds held in the bank account earn interest at a rate in accordance with the prevailing Interest Bulletin of the BANK.

### **III. COLLATERAL PROVIDER'S DECLARATIONS**

4. The Provider declares that Third parties do not have any rights and/or claims against the Financial Collateral, as well as that the Collateral is not a subject to a pledge or to a restraint. In this regard the COLLATERAL PROVIDER undertakes to not establish pledges in favour of third parties and not otherwise encumber the receivables presently provided in FINANCIAL COLLATERAL.

### **IV. BANK'S SATISFACTION FROM THE FINANCIAL COLLATERAL. NETTING**

5. The BANK materialises the FINANCIAL COLLATERAL by netting the COLLATERAL PROVIDER'S receivables in the bank account, serving as FINANCIAL COLLATERAL, against the BANK'S receivables from the unpaid FINANCIAL OBLIGATION. The two receivables are netted to the lesser amount.

6. The BORROWER continues to owe to the BANK the payment of the unsettled part of the FINANCIAL OBLIGATION, should the amount of the receivable from the bank account is less than the amount of the FINANCIAL OBLIGATION as of the moment of netting.

### **V. OTHER**

7. All notifications, statements and messages related to the present Contract shall be deemed received by the COLLATERAL PROVIDER, by posting them on the Online Banking system of the Provider Prob@nking.

8. The Bank collects, processes and stores personal data of the Borrower/the Provider, of the representatives or the authorised persons and/or/shared/entrusted under this contract with the Third parties, only in compliance with Regulation (EU) 2016/679 on the protection of personal data processing and the Bulgarian legislation. In this regard, the Borrower/ the Provider hereby declare that they have been informed about their rights and about the way of exercising their rights, that they accept the Privacy Policy of ProCredit Bank (Bulgaria) EAD, which was explained to them in detail prior to signing the Pledge Contract.

9. The General Terms and Conditions of the CONTRACTS AS PER FINANCIAL COLLATERAL ARRANGEMENTS LAW are an integral part of the Pledge Contract of CONTRACTS AS PER FINANCIAL COLLATERAL ARRANGEMENTS LAW and in case of a discrepancy between the conditions and the contract, the clauses of the signed contract shall apply. In case of discrepancies between the contents of the Pledge Contract and these General Terms and Conditions, the clauses of the Pledge Contract shall prevail.

10. "ProCredit Bank (Bulgaria)" EAD reserves the right to

amend the Terms and Conditions by announcing the changes by placing them in the Bank's premises to which the customers have access, by posting them on the Bank's official internet page [www.procreditbank.bg](http://www.procreditbank.bg) and by the Online banking system Prob@nking. If the Provider does not agree with the amendments to the Terms and Condition, he may object to them within thirty days from the posting of the notice for the amendment in Prob@nking, otherwise they shall become an integral part of the Pledge Contract for Financial Collateral.

11. For any interpretations of the sense and effects of the present Contract, the prevalent legislation of the Republic of Bulgaria shall apply

**These General Terms and Conditions were approved by the Management Board of ProCredit Bank (Bulgaria) EAD on 31.01.2020 and are effective as of 31.01.2020.**

**This translation from Bulgarian into English of the General Terms and Conditions to Special Pledge Contract is provided for information purposes only. The Bulgarian original text remains the only legally enforceable version.**