



ADRIATIC BANK AD PODGORICA

## **GENERAL BUSINESS CONDITIONS**

Version 5.1

Podgorica, 30<sup>th</sup> November 2022

Pursuant to authorizations from Article 55 of the Law on credit institutions and Article 43 of the Charter of Adriatic Bank AD Podgorica, the Management Board of Adriatic Bank AD Podgorica (hereinafter: the Bank) at a session held on 30<sup>th</sup> November 2022, passes the following:

## **GENERAL BUSINESS CONDITIONS OF ADRIATIC BANK AD PODGORICA**

### **I GENERAL PROVISIONS**

General business conditions (hereinafter: General conditions) shall define standard conditions for maintaining the relation, business and communication between Adriatic Bank AD Podgorica (hereinafter: Bank) and clients of the Bank.

General business conditions shall supplement specially agreed conditions between the Bank and the clients.

Possession of General conditions or any other documentation of the Bank shall not imply contractual relation with the Bank.

Relationship with the Bank is based on conclusion of the Agreements or any other legal documents which regulate mutual rights and obligations and which arrange appliance of these General business conditions.

By signing the Agreement or any other legal documents, client shall confirm that he/she is informed and that he/she accepts provisions of the General business conditions.

In case that provisions of General business conditions are not in accordance with provisions of special Agreements, provisions from special Agreements shall be applied.

Changes and amendments of these General conditions shall be adopted by the Management Board of the Bank and shall be passed only in the written form.

If by Agreement concluded between the Bank and the client has not been stipulated otherwise, Bank shall not take on the obligations and responsibilities which are not defined in these General business conditions.

### **II COMMUNICATION BETWEEN THE BANK AND CLIENTS**

Communication of the Bank and its clients implies exchange of data, information, opinion and acts which are important for business cooperation between the Bank and its clients.

Bank and its clients, within their business cooperation, can communicate orally but only written documents have significance for their formally legal and material relationships, unless stipulated otherwise by special agreement.

All documents which are in foreign language shall be submitted to the Bank on Bank's request, translated to Montenegrin language or language which is in official use in Montenegro, and they must be verified by the official court interpreter. The client shall pay costs of translation and verification.

Documents of foreign origin presented to the Bank as an evidence of identity or authorization shall be regularly checked regarding their acceptability in accordance with the laws, regulations and internal acts of the Bank. The Bank, however, shall not be held liable in that respect, except within the rules on due care.

Bank shall keep its discretionary right not to proceed according to the documents with foreign origin referred to in previous paragraph.

Written correspondence by the Bank to the client shall be directed only to the last known address (including phone number, fax numbers and/or e-mail address if there are existing ones) reported to the Bank. The correspondence shall be considered as received by the client in the following cases:

- if it is sent via fax – on the day when fax is sent to the client which is proved by the evidence from the fax machine
- if it is sent via electronic mail – on the day when e-message is sent which is proved by printed e- mail
- if it is sent via courier – after expiry of usual time necessary for courier delivery which is proved by evidence from the courier office
- if it is sent via post– after expiry of usual time necessary for receipt of shipment, including sending of the shipment to the address of third party empowered to receive the correspondence instead of the client, and in accordance with explicit written statement of the client delivered to the bank in this sense
- if it is sent via sms message – on the day when electronic message is sent which is proved by printed computer confirmation
- if it is sent via on-line banking system – on the day when electronic message is sent which is proved by printed computer confirmation
- if the client has changed the address and he has not informed the bank about that in timely manner and in written form.

Execution place for the Bank and for the client are business units of the Bank, where business has been established.

Bank shall bear responsibility for eventual failures in fulfillment of the contractual obligations toward the Client as well as for failures made by other persons who are eventually engaged by the Bank.

The Bank shall not be responsible for the damage suffered by the client and which incurred as the failure of the Bank to fulfill Client's order in cases caused by force majeure such as war, natural or ecological disaster, epidemic, cessation of electricity delivery, interruption of telecommunication links as well as other similar reasons which are not caused by the Bank's activity.



### **III INFORMING THE CLIENT**

Bank shall be obliged, on the client's request, to inform the client about the balance on his/her loan or deposit account via regular monthly account statement which client may receive via post or take it personally in the Bank's premises. Bank may issue an extraordinary account statement on client's request as well. Bank may inform the client about the account balance in some other manner if it is specially agreed.

The client has right to file a complaint on the account balance statement which Bank shall be obliged to consider.

Exceptionally, the Bank is obliged to inform the consumer, in the agreed manner, and at least once a year without charge, about the balance of the loan or deposit, and in relation to the approved loans, especially about the overdue outstanding debts to the Bank, and about the deadlines for sending debt reminders and warnings on the cancellation of the credit agreement, as well as to provide him with access to other data that may be available to the consumer in accordance with the Law.

The bank is obliged to provide information on the balance of the loan from the previous paragraph until the moment of initiation of court proceedings for loan collection.

A consumer is any natural person who is a client of the Bank, and who operates outside the scope of his economic activity or self-employment.

Bank shall be obliged, on the client's request, to ensure the client access to other data which may be available to client in accordance with law.

In the absence of any specific agreement, except legal obligation of informing, Bank shall not have any other obligation of informing except those prescribed by these General conditions. Bank shall not be obliged to inform the client about potential current losses nor to give advice and information without proper client's order.

### **IV EXECUTION OF THE ORDERS**

The Bank shall receive from the clients **transfer orders, payment orders, disbursement orders and collection orders**.

The orders shall be given in the written form. Orders which client gives to the bank must be clear and unambiguous. Changes, amendments and confirmations of the orders must be explicitly emphasized.

Bank shall control correctness of the fulfilled orders, identity of the signatures of responsible persons on the orders and on the specimen signature card, identity of the clients' seals on the orders and on specimen signature card, as well as the account balance of the client who delivered transfer orders i.e. possibility to execute those orders.

If the order is delivered by the person who is not authorized or client delivers incorrectly fulfilled order, if there is no enough funds for order realization or if client's account is blocked by the Central Bank of Montenegro, Administration for money laundering, respective court or some other relevant state organ, order shall be sent back to the person, i.e. to the client who delivered it.



When client gives order for cash transaction, as well as the order for funds transfer in amount equal or higher than EUR 15.000,00 identification of that person shall be performed, as well as the control of documentation about money origin, which is in accordance with the Law on prevention of money laundering and terrorism financing and other regulation, necessary for above stated transactions.

When client gives order for funds transfer, Bank shall check if obligatory elements are contained in the order: name of the legal entity, i.e. name and surname of the physical person; address of the residence of legal entity, i.e. residence of the physical person; number of the account.

The above stated data can be replaced with other data in accordance with the regulation.

Bank may, in accordance with its regulations and internal rules, accept **standing order** from the client for the payment.

Bank **shall not be responsible** for default or delay in order execution if there are no sufficient funds on the Client's account for timely execution of the order or if reasons for default or delay in execution are on the side of the client or on the side of the user payment.

#### **V OBLIGATION OF THE BANK RELATED TO THE CLIENTS BUSINESS SECRETS**

Business secret of the Bank shall be considered to be, inter alia, acts, documents and data about Bank's business whose revealing to unauthorized persons may cause or may make harmful consequences for the Bank's clients, especially:

- data about owners and account numbers opened in the Bank
- data about particular deposit balance and turnover on separate accounts of legal and physical persons opened in the bank,
- other data about the client which are in Bank's possession based on providing the service to the client
- other data and documents which are declared as business secret by general or separate acts of the Bank

Members of the board of directors, shareholders, all employees in the bank and other persons who are in possession of the information and data which are determined as business secret, i.e. bank's secret shall be obliged to keep the business secret.

Obligation of keeping the business secret, i.e. banking secret shall last even after cessation of the function in Bank's bodies and such data and information must not be used for the personal gain nor revealed to third persons.

**Exception** from the obligation of keeping the business secret shall be made if data are reported to:

- Central Bank
- respective judicial authority
- other persons according to clients' written approval
- organ authorized for prevention of money laundering and terrorism financing (Administration for money laundering) in accordance with regulations which define prevention of money laundering and terrorism financing
- Deposit Protection Fund



- tax authority (data about number of accounts of legal and physical person which perform registration activity)
- the Bank's client creditor who presents to the Bank court decision or some other executive document determined by the law
- data about solvency and credit indebtedness of the client in the Bank may be made available to the other bank or member of the banking group for the purposes of credit risk management
- data about credit indebtedness of the client in the bank and regularity of the loan repayment may be made available to the persons who have potential obligation to the bank like endorsers, guarantors and alike

In accordance with these General business conditions, signature of the client on the Agreement, Request or Application form, by which is being established business relationship between the Bank and the client, shall be considered as the explicit written consent of the client. Accordingly, by signing the Agreement, Request or Application form, the Client shall give explicit consent to the Bank to have right to send data from the Agreements, Requests or Application forms, i.e. data about the client, his/her related persons, documentation which forms credit file as well as other data considered to be banking secret, data about liabilities in the Agreement, manner of their settlement and their compliance with contractual provisions to the Central database of the Group which bank belongs to. Such data also may be sent to the members of the Bank's organs, Bank's shareholders, employees in the Bank, external auditor of the Bank, correspondent banks, Credit bureau of the Central Bank, Central Bank of Montenegro on request of the Court and/or other state authorities, as well as to the other persons who must have access to such data due to the nature of their work. Also, data can be sent to third party with whom Bank has concluded agreement which shall regulate proceeding with confidential data.

By signing the Agreement, Client explicitly agrees that Bank has the right to use data such as Client's address, phone number, fax number, e-mail address and other data which are delivered to the Bank by the Client upon signing the Agreement, for the purpose of informing the client about bank's activities, products and services in forms of flyers, prospects, e-messages as well as to use all other means of business communication and business presentation.

## **VI PLACEMENTS OF THE BANK**

Bank shall conclude the agreements on loan approval, issuing banking guarantees, opening of *loro* and *nostro* letters of credit, financial leasing and shall perform other banking jobs in accordance with the law, other regulations and its internal acts.

Relations between the Bank and clients shall be regulated by the agreements which are concluded in accordance with the law and other regulations as well as with internal acts of the bank.

The main criteria for placements of funds are the following: business success and loan ability of the client, level of risk, economical justification of the placement as well as the scope and level of business cooperation between the Client and Bank.

Bank shall consider every regularly submitted request and shall timely inform the Client about its decision.

Bank shall have right to reject to provide banking service to the Client if Bank estimates that Client does not meet the conditions prescribed by the Law and other regulations or by internal acts of the Bank.

For the purpose of approving the placement, Client shall be obliged to submit to the Bank the safest security instruments for regular settlement of obligations toward the Bank in accordance with the Law, business policy and acts of the Bank.

Bank shall decide which security instruments are the safest for ensuring regular settlement of Client's obligations toward the Bank.

When certain security instruments for Bank's receivables are agreed between the Bank and the Client, cost of their constitution and eventual activation shall be borne by the client.

Client shall bear all necessary costs which arise according to business relations, such as costs of verification and legal fees, taxes, insurances...

Client shall be obliged during his business relation with the Bank, in accordance with the agreement or written request of the Bank, within period stipulated by the agreement, to submit additional data and documentation which are significant or can be significant for their relationship.

The Bank shall have right to unilaterally cancel the business/ contractual relationship with the Client in any moment if Client fails to submit the requested data and documentation in agreed/given deadline without justifiable reason, as well as to charge the penalties in amount which is defined by the agreement with the client or internal acts of the Bank.

## **VII INTEREST RATES AND FEES OF THE BANK**

Bank shall agree, calculate, pay and charge the interest for the banking jobs, i.e. loans, credit cards, allowed overdraft, financial leasing and deposits in accordance with the agreement, law, its business policy, internal acts and these General business conditions.

The interest charged by the Bank is variable and depends, inter alia, on the business policy and other internal acts of the Bank unless stipulated otherwise by the agreement concluded with the client.

The Bank shall be obliged to calculate and present effective interest rates for approved loans as well as effective passive interest rates for received deposits and to inform the clients about the effective interest rates in the manner regulated by the Central Bank of Montenegro.

The interest can be expressed on yearly, monthly or daily level.

Loan interest calculation is performed by applying compound method based on the month of 30 days and a year of 360 days.

Deposit interest calculation is performed by applying compound method based on the month of 30/31 days and a year of 365 days.



Nominal interest rate applied by the Bank may be fixed or variable (changeable).

Bank shall deliver Bank's Tariff to the Client, on Client's request.

Fees and commissions are changeable and their adjustment may be done by the Bank once per month.

Bank may pay the interest to the Client who deposits his/her funds to the Bank if this is defined by the Deposit Agreement.

### **VIII RIGHT OF THE BANK AND CLIENT TO TERMINATE THE AGREEMENT**

Bank shall have right to unilaterally and immediately terminate the agreement in cases when client:

- submits the incorrect data,
- uses funds of the loan with no purpose,
- does not settle the obligations timely with regard to principal, interest and fees,
- does not fulfill the request of the Bank for providing or increasing security instruments
- does not fulfill the obligations stipulated by the agreement
- in accordance with the agreement or written request of the Bank, without justifiable reason, does not submit or refuse to submit additional data or documentation which may influence on business relationship between the Bank and client. Bank shall have right to terminate the agreement in all other cases stipulated by the special agreements.

In case of the agreement termination by the Bank, Bank shall declare all client's obligation as due.

Client shall have right to unilaterally terminate the loan agreement with the Bank if he/she previously settles all obligations toward the Bank including the fee for premature repayment in accordance with the valid Decision on tariffs and fees.

### **IX PROTECTION OF THE CLIENTS RIGHTS (physical and legal persons)**

Client who considers that Bank does not respect obligations from concluded agreement may submit the complaint to the respective organizational unit or authorized Bank's part in charge for the complaints – Back office department.

Bank is obliged to respond to the complainant from Article 1 of this paragraph in reasonable deadline, not later than 8 days from the day of submitting the complaint.

Complaint should include the following:

- a) data about the client and type of business relationship such as: personal data of the client-physical person (name and surname, address and contact phone, e-mail), i.e. data about the client – legal entity (name and head office of the company, name and surname of the contact person and contact phone, e-mail), number and type of the agreement;
- b) reasons for submitting the complaint (in case that client is in possession of certain evidences referring to the above stated reasons, they can be submitted along with complaint in order to be resolved as soon as possible)

Complaints may be submitted to the following address:



**Adriatic Bank AD Podgorica**  
Bulevar Džordža Vašingtona br. 98  
81 000 Podgorica

The User and the Bank shall settle any disputes or complaints regarding the provision of services by mutual agreement.

The User may submit a complaint regarding the provision of services to the Bank personally or send it to the Bank's e-mail: [kvalitet@adriaticbank.com](mailto:kvalitet@adriaticbank.com), which can also be accessed from the Bank's website, or by post to the Bank's address.

If the User does not agree with the Bank's decision regarding the complaint, the User may file a complaint with the Central Bank of Montenegro.

The complaint should be in writing and contain a brief request including all the facts the User bases the complaint upon.

#### **X PROTECTION OF THE PERSONAL DATA – physical persons**

Bank shall be obliged to apply provisions of the Law on Protection of Personal Data.

Bank shall ensure protection of personal data under conditions and in the manner prescribed by the Law on Protection of Personal Data, in accordance with principles and standards contained and confirmed in international agreements about human rights and generally accepted rules of international law.

Data about person (personal data) may be processed with previously obtained written approval of the person whose data are processed (client). The client is deemed to have given such approval by submitting the request for the loan approval, financial leasing, guarantee and alike, i.e. by submitting the request for opening the current account or some other account at the Bank or by signing the suitable application form.

Personal data may not be processed in the bigger scope than is necessary in order to achieve processing purpose nor in the manner which is not in accordance with their purpose; they can be used only for the time necessary to achieve the purpose of use.

Bank shall be obliged to keep evidence about personal data which are submitted for being used, users of the personal data, purpose for which they are given and legal basis for usage of personal data.

#### **XI FINAL PROVISIONS**

Beside these General conditions, in Bank's premises, clients may be given brochures of the Bank which contain, inter alia, general business conditions for certain products of the Bank.

Client may ask from the bank for additional explanations and instructions which refer to the appliance of General business conditions.



Bank shall be obliged to enter the provision that client is informed about General conditions in all agreements that are being concluded, starting from the day of appliance of these General conditions.

Positive regulations of Montenegro shall be applied to all legal relations between the client and the Bank.

These General conditions may be changed or amended by the decision of the organ who adopted them or may be replaced by new General conditions. Changes and amendments of these General conditions, as well as new General conditions, shall be applied after the expiry of 8 days from the day of their exposing in business premises of the Bank and on the internet.

**CHAIRMAN OF THE MANAGEMENT BOARD**

**Mr. Đorđe Lukić**