

HIPOTEKARNA BANKA AD PODGORICA

**GENERAL TERMS AND CONDITIONS FOR OPERATIONS RELATED TO TRANSACTION ACCOUNTS AND PAYMENT AND
OTHER SERVICES IN HIPOTEKARNA BANKA AD PODGORICA**

Podgorica, January 2019

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I INTRODUCTION

With these General Terms and Conditions for transaction accounts operations and provision of payment and other services, Hipotekarna Banka AD Podgorica (the "Bank") decides on the mode of operations on its transaction accounts, execution of payment transactions, as well as the rights and obligations of the Bank and the Account Holder / Beneficiary of payment services ("Client") in relation to payments.

General Terms and Conditions for transaction accounts and performance of payment and other services by the Bank ("General Terms and Conditions") shall apply to opening and managing of the transaction accounts, execution and recording of payment orders, collection and managing of funds, reporting of changes on the Client's account balance, interest bearing investments, calculation and collection of fees for services rendered by the Bank and account closure.

Integral parts of these General Terms and Conditions are as follows:

- Time Schedule of Receipt and Execution of Payment Orders,
- Excerpt from the current Decision on Bank's Fees related to payment transactions, managing of the accounts
- Excerpt from the current Decision on Bank's Interest Rates in respect of payment transactions, i.e. managing the accounts;
- Bank's exchange rates valid on the date of application,

Whether they are an integral part of an individual contract or are accessible to Clients on the website www.hipotekarnabanka.com ("Website") or in the organizational units of the Bank - branches / sub-branches ("business units").

Any reference to the General Terms and Conditions hereinafter shall include a reference to the documents referred to in the preceding paragraph.

General Terms and Conditions are an integral part of each individual Framework Agreement on Payment Services (the "Framework Agreement") as well as single payment transaction contracts / orders and together with the documents referred to in the preceding paragraph of these General Terms and Conditions constitute the Framework Agreement and/or the single payment transaction contract / order, as an integral whole.

General Terms and Conditions, Time Schedule of Receipt and Execution of Payment orders, Excerpt from the current Decision on Interest Rates, Bank's exchange rates list and the excerpt from the current Decision on Fees are available in written form on the occasion of opening of a transaction account or the execution of a single payment transactions in all business units and on the Bank's website.

In case of a collision between the Framework Agreement and the General Terms and Conditions and/or other documents of the Bank, the provisions of the Framework Agreement shall apply, then the provisions of these General Terms and Conditions, and finally documents of the Bank. By signing the Framework Agreement, the Client confirms that he/she is familiar with these General Terms and Conditions and that he/she fully agrees with and accepts them. If the provisions of the contract by which the Bank and the Client prior to introduction of these General Terms and Conditions regulated their contractual relations in connection with account management and provision of payment services, are in collision with the provisions of applicable legal regulations and/or provisions of these General Terms and Conditions, then the provisions of the previously concluded contracts shall cease to apply and provisions of these General Terms and Conditions and applicable legal regulations shall be applied instead.

The Bank may entrust the execution of all or individual payment services to a third party or agent. In that case, the agent, in the name and on behalf of the Bank shall provide payment services and the Bank shall be responsible for all actions and failures of its agent in his performing of the entrusted tasks.

The Bank shall provide information to the Client on itself as the provider of payment services, the use of payment services, main features of the payment service to be provided and the data necessary for proper issuance of payment order, the fees, exchange rate and interest rates, on communication channels between the Bank and the Client, protective and corrective measures, amendments and termination of the contract, legal protection, as well as other issues foreseen by applicable legal regulations.

II BANK – PROVIDER OF PAYMENT SERVICES

Name:	HIPOTEKARNA BANKA AD PODGORICA
Address:	Josipa Broza Tita 67, 81 000 Podgorica, Montenegro
Registration No. at CRPS:	40004632
Company Identification No:	02085020
Tax Identification No:	02085020
BIC/SWIFT:	HBBAMEPG
Transaction account with the Central Bank of Montenegro:	907-52001-93
E-mail:	hipotekarna@hb.co.me
Website:	www.hipotekarnabanka.com
Telephone:	+382 77 700 001
Fax:	+382 77 700 071
Call Center:	19905

Supervisory authority:	Central Bank of Montenegro
License issued by the Central Bank of Montenegro	0101-75/1-2002 of 17/12/2002

III TERMS AND DEFINITIONS

In these General Terms and Conditions, the following words shall have the following meanings:

Bank's documents	All documents and decisions adopted by the Bank's bodies, its committees and authorized persons that are available to the Client through certain distribution channels and which regulate rights and obligations of clients and all other persons that have rights and obligations in relation to the Bank, as well as the Bank itself.
CVV/CVC code	CVV (card verification value) or CVC code (card verification code) - three-digit code on the back of payment cards used in transactions on the Internet or MOTO / CNP transactions.
Value date credit/debit date	Date on which the Bank credits the account of the Payee's provider of payment services or Client's transaction account.
Dynamic Currency Conversion	This is a Bank's service which enables a cardholder whose card was issued by the banks outside of Montenegro to choose a currency different from EUR(choose his domestic currency) when effecting transactions on EFT POS terminal or at ATM. The Bank will charge this service according to the Decision on tariffs of fees of Hipotekarna bank.
Distribution channels	All means and channels through which the access, contracting and use of the Bank's products and services are available i.e. Bank's business units, Bank's website, e- banking services and the like.
Direct debit	Payment service which debits the Payer's payment account, where the payment transaction is initiated by the Payee, based on Payer's consent provided to the Payee, the Payee's provider of payment services or Payer's provider of payment services.
Member state	European Union member state or a state party to the Agreement on the European Economic Area.
EFT POS Terminal	Electronic payment system used to accept payment cards and transaction authorization.
E-commerce	Bank's service, system for accepting and authorizing transactions on the internet
FATCA	Act on Ratification of the Agreement between the Government of Montenegro and the Government of the United States of America on improving the fulfillment of international tax obligations and the implementation of FATCA. In accordance with FATCA regulations, financial institutions (banks, custody companies, investment companies, and certain insurance companies) based in Montenegro are obliged to identify US taxpayers, as well as to report on certain accounts and data.
Hbklik/mHBklik/Emon and/or certain electronic banking services (together: Bank's electronic banking services)	Payment instrument of the Bank, via the Internet, using a computer or mobile phone, which enables the Client to perform and review financial transactions directly and have an insight into the transaction account balance.
HB SMS	Service which enables a client to receive notifications via mobile phone i.e. by receiving SMS message about the balance, inflow, outflow on the transaction account, information about the Bank's payment cards and their use, including the benefits of special Bank's programs.
Identification document	Document presented to the Bank by the Client that verifies the identity of that Client, his nationality and, possibly, place of residence. (ID card for residents; passport or other appropriate personal identification document with the photograph for residents and non-residents).
Unique identifier	Combination of letters, numbers or symbols that the payment service provider assigns to the payment service user and which payment service user must indicate in order that the other payment service user and/or transaction account of the other payment service user which is used in the payment transaction could be clearly determined (the unique identifier may be IBAN / BBAN / number of transaction account; BBAN is used in the domestic payment operations system and IBAN in international and cross border payment operations).
One-time payment transaction	Payment order which contains information in accordance with the law.
Specimen Signature Card	List of authorized signatures of persons able to dispose of funds in the transaction account of the Client, deposited in the form prescribed by the Bank.
Payment service user	Natural or legal person using the payment service as payer and/or payee.
Payment card user	Client or person specially authorized by the Client to use the payment card.
Client's contact address	Address provided by the Client to the Bank on the occasion of contracting any product or service, or which was subsequently provided to the Bank in the written notice as the address to which he/she would like to receive the information from the Bank, if that address is different from the headquarters /permanent residence / residence of the Client.
Credit transfer	Payment service by which the payer initiates with his payment service provider, the execution of one or more payment transactions, including the issuing of a standing order.

International payment transaction	Payment transaction in which one provider of payment services provides payment services in the territory of Montenegro and the other provider of payment services provides them in the territory of a third country, as well as the payment transaction in which the same payment service provider, provides payment services for one user of payment services in the territory of Montenegro and for the same or other user of payment services, in the territory of a third country.
My Wallet	Service provided by Bank and intended for payment services users, consumers, with Android backed devices and/or mobile phones which support NFC technology, which allows the provision of contactless payments on EFTPOS terminals, where Mastercard payment cards are accepted, and all in accordance with the user's manual.
MOTO/CNP transaction	Mail orders and telephone orders and Card non-present transactions are transactions the performance of which on the point of sale does not require using of Client's payment card.
Payment order	Instruction submitted by the Client to the Bank requesting execution of a payment transaction and which contains all the elements prescribed by the law and according to the form of payment it may be: payment order, disbursement order and transfer order.
National payment transaction	Payment transaction the execution of which involves Payer's payment service provider and/or Payee's payment service provider that provide payment services in the territory of Montenegro.
Non-consumer	Natural person who under the contracts on payment services covered by these General Terms and Conditions acts within its registered business activity - entrepreneur, as well as a legal entity.
Non-resident	Person defined in accordance with the law governing current and capital business operations with foreign countries.

Remittance	Payment service by which the funds are received from the payer, without opening an account for payment in the name of the payer or payee, exclusively for transferring the appropriate amount of funds to the payee or other payment service provider acting on behalf of the payee and/or the funds are received for the payee and made available to the payee.
Funds	Cash (banknotes and coins), funds in accounts and electronic money.
Framework Agreement	Agreement on payment services regulating future execution of individual payment transactions, the conditions of opening and managing of a transaction account, as well as services related to transaction account.
Agent	Natural person who is authorized by the Beneficiary/user of payment services - Owner of a transaction account to dispose of the funds in that account, in accordance with the internal documents of the Bank and the obtained power of attorney.
OTP	One time password while using Bank's services via the Internet, using computer or mobile telephone, which the Client receives by SMS message.
PIN	Personalized security element which constitutes personal secret ID number of the client assigned by the Bank and/or (created by) the client himself, known exclusively to the cardholder/client, which is strictly confidential, and serves to identify the payment card user / Client and authorize the payment transactions which require PIN identification and authorization by PIN.
Bank's business units	Organizational units of the Bank (branches and sub-branches).
Consumer	Natural person who concludes a contract on payment services covered by these General Terms and Conditions for the purposes not intended for its activities, business or profession.
Payer	Natural or legal person that has a transaction account and gives an order or approval for payments from that account, or physical or legal entity that has no transaction account and issues a payment order.
Payee	Natural or legal person to whom the funds that are subject of payment transaction are intended.
Payment service provider	Entities that in accordance with the law may provide payment services in Montenegro.
Payment transaction	Payment, disbursement or transfer of funds initiated by Payer or Payee, disregarding the obligations between the Payer and Payee.
Personalized security elements	Data on payment card and data associated with the card which enable the Bank to identify the person that it authorized to use this card and, in particular, the name and surname of the user of payment card, credit card number, control number printed on the credit card, expiry date of the payment card, PIN and signature of payment card user, as well as OTP, TAN, CVV/CVC.

Payment instrument	Personalized tool and/or set of procedures agreed between the payment service users and payment service providers that payment service users apply to initiate a payment order.
Payment card	Payment instrument enabling its holder to pay for goods and services through the POS devices or remotely and/or enabling the disbursement of cash or use of other services at the ATM or other self-service device, which is defined by the Bank as debit card.
Cross-border payment transaction	Payment transaction in which one provider of payment services provides payment services in the territory of Montenegro and the other provider of payment services in the territory of another Member State, as well as the payment transaction in which the same payment service provider provides payment services to one user in the territory of Montenegro and for the same or other users of payment services in the territory of another Member State of the European Union.
Working day	Part of the day during which the Bank or some other payer's/payee's payment service provider, who participate in executing a payment transaction, operates and enables the execution of such payment transaction for payment service User.
Reference	Numerical label that is generated in the processing of payment orders in the Bank and which enables the payer / payee to identify the payment transaction.
Resident	Person defined in accordance with the law regulating current and capital operations with foreign countries.
Payment account	The account that payment service provider maintains in the name of a payment service user and is used for execution of payment transactions.
Sticker	An alternative for the Premium MasterCard debit card, which facilitates contactless payment for goods and services via designated device, including withdrawal of funds on the appropriate devices.
Transaction account	Type of payment account for payment which is opened and kept by banks and other credit institutions providing payment services, a branch of a credit institution from a third country with headquarters in Montenegro and the Central Bank on behalf of one payment service user for the execution of payment transactions and for other purposes. It is used for the execution of payment transactions and for other purposes related to payment and transfer services, which is opened to consumers and non-consumers / natural and legal persons / residents and nonresidents.
TAN	Transaction authorization number - numerical data submitted to the client by the Bank in a list, which are used to login to its services via the Internet using the computer or mobile phone.

Standing order	Payment services for the execution of credit transfer based on the contractual relationship between the payer and his payment service provider and by which the payer approves the issuing of payment order to debit his transaction account and make the payments in favor of certain payee.
Third country	Until Montenegro's accession to the European Union, each foreign country, and after the accession, a state which is not a member state.
Permanent medium	The means whereby the Client may store data addressed personally to him in such a way that the information remains available for future use for a period appropriate to the purpose of the data and which enables the reproduction of stored data in the unchanged form.
Time Schedule of Receipt and Execution of Payment Transactions	Bank's document which defines terms, manner and conditions for the execution of payment transactions.
Contract on payment services	Contract by which the payment service provider commits to provide to the payment service user certain payment services, i.e. a payment service, and the payment service user commits to pay a certain fee for that to the payment service provider.
Account owner	Payment service user who signed the Framework Agreement with the Bank and has a transaction account with the Bank.
Agent	Person who is the legal representative of the Client on the basis of the Articles of Association, the founding or other document.
3D Secure code	A standard for cardholder's authentication, developed by Mastercard Worldwide (Mastercard Secure Code) and Visa International (Verified by Visa), which enables secure payment for goods and services on the internet, which is adopted by the Bank.
Law	Currently applicable Law on Payment Operations in Montenegro, as amended, including enabling regulations.

With regard to the interpretation of the meaning of certain terms in this part of the General Terms and Conditions, the use of singular or plural, gender, or of small or capital letters bears no relevance at all. The titles of individual parts are given for the purpose of orientation only and may not form basis for the interpretation of the General Terms and Conditions.

III TYPES OF PAYMENT SERVICES

These General Terms and Conditions define the performance of payment services, including:

- Services that enable payment of cash to a transaction account, as well as all the activities necessary for managing a transaction account;
- Services that enable disbursement of cash from a transaction account, as well as all the activities necessary for managing a transaction account;
- Execution of payment transactions, including transfer of funds to the transaction account of a payment service user with his payment service provider or other provider of payment services, including:
 - Execution of direct debits, including single direct debits,
 - Execution of payment transactions using a payment card or a similar instrument, - Execution of credit transfers, including standing orders;

- Execution of direct debits, including single direct debits,
- Execution of payment transactions using a payment card or a similar instrument,
- Execution of credit transfers, including standing orders;
- Issuing and/or accepting payment instruments;
- Execution of remittances;

Payment transactions executed by the Bank are divided into: 1. national; 2. international and 3. cross-border payment transactions.

The Bank may conclude a Contract on payment services with the Client as: 1. Single payment transaction and/or 2. Framework Agreement. The contract (order) on single payment transaction regulates the execution of a single payment transaction that is not covered by the Framework Agreement. The Framework Agreement regulates the execution of future individual payment transactions, as well as the conditions for opening, managing and closing of transaction accounts. Within the Framework Agreement, in addition to the previously mentioned services, the Client may also be provided with electronic banking services, SMS service, standing order / direct debit, payment cards and other payment services of the Bank.

Based on the submitted documentation for opening of a transaction account and a signed Framework Agreement, the Bank shall open a transaction account(s) and issue payment instruments to the Client.

The contracted payment services shall be provided by the Bank in accordance with applicable regulations of the Central Bank of Montenegro on terms of execution and Time Schedule for Receipt and Execution of Payment Transactions of the Bank, which make an integral part of these General Terms and Conditions.

- Execution of payment transactions in which the funds are ensured by a loan granted to the Client:

III-1 OPENING, MANAGING AND CLOSURE OF A TRANSACTION ACCOUNT

1. Payment of founding capital

Prior to opening of a transaction account, the founders of a legal entity shall pay in the funds as founding capital. The payment can be made at any business unit of the Bank to the account opened for this purpose and based on which the Bank shall issue a certificate to the founders of the legal entity for the payment of founding capital for the purpose of legal entity registration with the competent authority. For the issuance of the above mentioned certificate, the Bank charges the prescribed fee. Upon registration with the competent authorities of Montenegro, the funds of the founding capital shall be transferred to the newly opened transaction account of that legal entity. If the registration procedure was suspended, the founding capital shall be returned to the payer at his request, with the obligation of the payer to return to the Bank the original certificate of payment of the founding capital.

2. Payment of funds for the founding capital increase

Payments are made to the client's transaction account with the reference number, payment description and with information about the account number and the name of the legal entity for which the founding capital is increased. Upon execution of payment, the Bank shall issue a certificate to the Client on the amount of the payment made for the founding capital increase, i.e. recapitalization upon the written request of the Client. For the issuance of the said certificates, the Client shall be obliged to provide to the Bank a valid decision on founding capital increase / recapitalization, and the Bank shall charge the prescribed fee.

3. Opening of a transaction account

The Bank opens a transaction account to the Client pursuant to the signed Framework Agreement. The Framework Agreement is concluded on the basis of a written request of the Client for the opening of a transaction account to be submitted together with documentation prescribed by these General Terms and Conditions. The request for opening of a transaction account is given in the form prescribed by the Bank or in the form of a written request containing all the elements required by the applicable regulations.

The Client is responsible for the accuracy and completeness of all information stated in the Request for opening of a transaction account.

Based on the Request for opening of a transaction account and attached documentation, the Bank may conclude a Framework Agreement and open a transaction account for payment transactions in the country and abroad, i.e. for the performance of national and/or international / cross-border payment transactions, as well as a special purpose account. The Bank may open the mentioned types of accounts to residents and non-residents, consumers and non-consumers. Transaction accounts that are opened for executing national

transactions are opened in BBAN form - Basic Bank Account Number, which consists of 18 numeric characters, while transaction accounts that are opened for the performance of international / cross-border transactions are opened in IBAN form (International Bank Account Number), which consists of two alphabetic characters and 20 numeric characters.

In the process of opening a transaction account, the Bank is required to establish the identity of the Client and implement other procedures which are in accordance with current legislation governing the prevention of money laundering and terrorist financing in Montenegro.

The Bank may require the Client to also present other data or documentation, where so required by law or other regulation and where it finds that submission of additional documentation is necessary for its decision on the request.

The Bank reserves the right to reject, at its discretion and without stating any reasons, the request for the opening of a transaction account, although the client meets the requirements specified in this item. The Bank shall inform the Client in a written notice of the rejection, and at the request of the Client, return the original documents submitted for the purpose of opening of the account and retain copies thereof.

The Client is responsible for the accuracy and completeness of all the information based on which the Bank has opened and maintained the transaction account. The Client shall reimburse the Bank for any loss or expense arising from inaccurate and/or incomplete information provided by the Client. The Client shall inform the Bank without delay, or not later than within 3 days from the date the change takes place, in writing, on any change of data to be entered in the register of accounts at the Bank and submit the relevant documents to the Bank. In the event that the Client fails / is late in informing the Bank of the changes, the Client shall be responsible for any damage related to the maintenance of its transaction account. The Client shall be obliged to submit additional necessary data about the persons authorized to represent and dispose of funds at the request of the Bank.

Transaction accounts of the clients are subject to the control of the competent authorities in accordance with applicable regulations.

3.1. Opening of a transaction account for a non-consumer (legal entity, entrepreneur) - resident

Documentation that the Client needs to submit together with a duly completed Request for opening of a transaction account includes the following:

- 1) Certificate of registration - registration in the Central Register of Business Entities (CRPS), or document of registration with another competent authority, if the registration for it is prescribed;
- 2) The document of the competent body on the establishment, if registration is not prescribed for it;
- 3) An extract from the law, if it is established directly based on the law;
- 4) A notice of the competent authority of the classification by economic activities;
- 5) Document on registration with the competent tax authority which contains tax number of the applicant, if such registration is prescribed;
- 6) Filled in specimen signature card of persons authorized to sign payment orders;
- 7) Document on the appointment of applicant's authorized representative, if that person is not defined in the document on registration, or the law or other regulation on the basis of which that entity was established;
- 8) Verification of the signature of the authorized person of the applicant;
- 9) Other documents required by the Bank in accordance with its business policy and other internal documents of the Bank.

The Client is required to present original documentation to the Bank and provide a certified copy not older than 3 (three) months from the date of issuing.

In accordance with the current regulations governing the prevention of money laundering and terrorist financing, in addition to the previously mentioned documentation, the Client, when opening a transaction account at the Bank, shall fill in the following forms as well:

- Questionnaire for politically exposed persons and
- Information about the beneficial owners.
- Documentation for recognizing USA subject, if applicable

In the event of opening of a transaction account that is exempt from enforcement, pursuant to the applicable legal regulations, the Client shall, in addition to the documents referred to in paragraphs 1 and 3 of this item of the General Terms and Conditions, submit the documents which prove that the said transaction account is to be exempt from enforcement.

When the Bank on the basis of the submitted documentation referred to in the preceding paragraphs of this item of the General Terms and Conditions establishes that it is complete and that the prescribed conditions for the opening of a transaction account have been met, it shall sign the Framework Agreement with the Client.

3.2. Opening of a transaction account for a consumer (natural person) – resident/non-resident

A transaction account can be opened by a natural person with business capacity who has inflows of funds to the account on the basis of regular income / contributions, royalties, additional work or inflows on the basis of other income in accordance with legislation and who accepted the General Terms and Conditions.

The Bank shall open a transaction account to a consumer, based on the valid identification document and a completed Request for the opening of a transaction account and other documents requested by the Bank in accordance with its business policy and other internal documents of the Bank. The Client may, at the opening of a transaction account or later, authorize another person to dispose of the funds in that account. Such authorized person shall dispose of funds in the transaction account in accordance with the instructions of the Bank and obtained power of attorney from the Client. The Client is fully responsible for the disposal of funds on its transaction account by the authorized person. The power of attorney is valid until revoked in writing by the Client, the closing of the transaction account, the death of the Client or authorized person.

The Client may authorize another person to conclude a Framework Agreement with the Bank, in his name and on his behalf, in which case the Bank establishes the identity of the authorized person on the basis of valid identity documents and original authorization for conclusion of a Framework Agreement certified by a notary or a competent authority, which must not be older than 3 (three) months.

The Bank may open a transaction account at the request of a minor for the purpose of inflow of scholarship, awards of students in competitions, work of students in services / associations regarding seasonal or any other work, or for all other inflows that have to be received on a transaction account as prescribed by the law and for payments from the transaction account. The Framework Agreement, in

this case, in the name and on behalf of a minor shall be signed by the legal representative. In this case, the Bank establishes the identity of the legal representative on the basis of a valid identity document and by checking the original copy of the birth certificate proving parenthood. In the event that a minor has no legal representative, a transaction account shall be opened by the guardian who shall be obliged, in addition to the valid identity document proving his identity, to provide an insight into the original of the final decision of the competent body for social work on guardianship.

The Bank may issue a debit card to a person to whom it approved the opening of a transaction account with or without PIN. Payment card is a document by which a Client or payment card user proves his identity with a personal identification document in operations with the transaction account. If the Bank approved the issuance of a payment card with a PIN, users of the card, in addition to signing of the Framework Agreement, shall accept Special Conditions related to the operations with payment cards, if that is envisaged by Special Conditions.

If the Bank on the basis of the submitted documentation referred to in the preceding paragraphs of this item of the General Terms and Conditions establishes that it is completed and that the conditions prescribed for the opening of transaction accounts have been met, it shall conclude a Framework Agreement with the Client.

3.3. Opening of a transaction account for a non-consumer (legal entity) – non-resident

The documentation that the Client needs to submit with a duly completed Request for opening of a transaction account is the following:

1) extract from the register in which the non-resident (legal entity) is registered in a state where it has its registered office or, if it is established in a country where registration in such a register is not done - other valid document of incorporation in accordance with the regulations of the host state, on the basis of which the legal status of this non-resident can be determined and the date of its establishment;

2) verification of the signature of the authorized person of the applicant;

3) filled in signature specimen card of persons authorized to sign the payment order which was signed by the authorized person from the decision on registration of legal entity - non-resident in the country where its seat is, and person to whom the authorized person has transferred the right to sign, or from other valid document of incorporation certified by seal that shall be used for the authentication of payment orders;

4) other documents required by the Bank in accordance with its business policy and other internal documents of the Bank.

The documentation referred to in the previous paragraph of this item of the General Terms and Conditions shall be submitted as copy certified by the competent authority and in the form of a certified translation into the Montenegrin language, which cannot be older than 3 (three) months. After the conclusion of the Framework Agreement, the Client is obliged to submit this documentation to the Bank annually, and if the Client fails to do so - the Bank will not execute the payment transactions for the Client until the documentation is submitted. In case of failure to submit the required documentation, the Bank will block the use of funds in the transaction account until the delivery of the necessary documents, or at the written request of the Client it shall transfer the funds on the basis of his instructions and close the transaction account. Exceptionally, the Bank may, in accordance with applicable laws and regulations governing the prevention of money laundering and terrorist financing, require that the Client delivers the above information more often than with the 1 (one) year frequency that

is prescribed by the law, and the Client is obliged to do that within the prescribed deadline.

Foreign diplomatic and consular missions in Montenegro, when opening transaction accounts, in addition to properly completed Request for opening of a transaction account shall submit the following:

1) confirmation of the Ministry of Foreign Affairs and European Integration of the registration;

2) a notice of the competent authority in Montenegro on classification of activities;

3) document on registration with the competent tax authority in Montenegro which contains the tax number;

4) verification of the signature of the authorized person of the applicant;

5) specimen signature card of the persons authorized to sign payment orders from that account;

6) other documents required by the Bank in accordance with internal procedures and policies of the Bank.

In accordance with applicable laws and regulations governing the prevention of money laundering and terrorist financing, the Client shall, when opening a transaction account at the Bank, fill in the following forms:

- Questionnaire for politically exposed persons and

- Information about the beneficial owners.

When the Bank on the basis of the submitted documentation referred to in the preceding paragraphs of this item of the General Terms and Conditions establishes that it is complete and that conditions prescribed for the opening of a transaction account have been fulfilled, it shall conclude a Framework Agreement with the Client.

4. Managing of a transaction account

The funds in transaction accounts are managed as demand deposits and the Bank participates in the deposit protection system with the Deposit Protection Fund in the manner defined by applicable regulations.

The Bank maintains transaction accounts in the currency in official use in Montenegro, as well as in the currencies from the Bank's foreign exchange rate list, depending on the type of a transaction account, in accordance with the provisions of the Framework Agreement it signs with the Client.

The Bank records the executed payment transactions of the Client at the level of its individual transaction account and it is obliged to make daily updates and record the data and ensure the accuracy thereof by transaction accounts.

A Client - natural person may authorize, in writing, one or more persons in the manner prescribed by the Bank, or in accordance with a special power of attorney certified by a notary, a consular office or other competent authority of a foreign country, provided that the document is duly stamped for the use abroad and accompanied by a certified translation into Montenegrin. In addition to the Client and the agent, payment transactions may be initiated by legal representatives or custodians of the Client.

A Client - legal entity appoints authorized persons for the disposal of funds and timely informs the Bank about any changes in that regard. The Client is obliged to inform the authorized persons of their rights and obligations in exercising the powers given in relation to the disposal of funds in the transaction account. The Client shall be responsible to the Bank for any damage that may occur as a result of the given authorities being exceeded by the persons authorized by the Client. The authorization to dispose of funds in the transaction account, the Client shall give, change and revoke exclusively in writing, via the Specimen Signature Card of the Bank ("KDP").

The Bank shall bear no responsibility for any damage caused as a result of the Client's failure to provide timely the Bank with the notification referred to in the previous paragraph.

5. Available balance on a transaction account and manner of disposing of funds

Available funds / balance means the balance in the transaction account on the previous day increased by the daily inflow and funds under the approved framework credit and decreased by daily outflow and the amount of reservations for card transactions until the moment of establishing of the balance.

Client and the Bank agree that the Bank will receive the Client's payments of funds to the transaction account, make disbursements from it and transfer funds upon the order of the Client from the available funds in the transaction account, all in accordance with the Time Schedule of Receipt and Execution of Payment Transactions.

The Bank may approve a framework credit i.e. the overdraft on the transaction account, in accordance with the applicable internal documents of the Bank.

The Client shall be obliged to keep its own records of operations related to the transaction account with the Bank and take care that there are enough funds for the execution of given payment orders.

Payment orders given by the Client shall be submitted to the Bank on the payment operations forms of the Bank in paper form, by electronic banking service, by payment cards, Sticker and based on the contractual relationship between the Client and the Bank.

Any negative balance on the transaction account, which is not covered by a credit will be considered as unauthorized overdraft. If the transaction account still has the unauthorized overdraft, the Bank shall take measures against the client in accordance with the contractual provisions and valid internal Acts. The client is obliged to settle the debt not later than 8 (eight) days, counting from the day on which the Bank sent a warning by ordinary mail or cancellation by registered mail with return receipt with the Client's address specified in the contract. Should the Client fail to settle the debt within the specified deadline, the bank shall take further measures for collecting the claim.

6. Authorization of the Bank to dispose of funds in the Client's transaction account

The Bank shall dispose of funds in the transaction account of the Client on the basis of its contractual authorizations given to the Bank.

In the process of enforcement on the Client's funds, the Bank is only implementing the orders of the competent authority and in that role it does not establish or even check the relations between the Client and the person who is indicated as a creditor in the order. The Bank shall not be liable to the Client for any damage that may arise due to the implementation of illegal or improper order of the competent authority.

In accordance with applicable legislation governing the enforced collection of funds, the Bank executes the payments of funds in transaction accounts from the available balance on these accounts.

By signing the Framework Agreement the Client agrees that the Bank may collect all due obligations of the Client, for any legal transaction/basis, without submitting a payment order, by directly debiting all of his/her transaction accounts. If the Bank's receivables are collected in EUR currency and the available funds are not in EUR currency, the Bank will make a conversion, according to the exchange rate announced by the Bank, on the maturity date of the obligation or on the date of transfer of such assets.

By accepting The General Terms and Conditions, the client authorizes the Bank to, without previous consent asked from the Client, eliminate the obvious mistakes of the Bank created in the operations due to which the balance on the transaction account would deviate from the actually issued payment orders in favor and at the expense of that account. The Bank will inform the client about the mistake made and debit/credit on the account via account statement, and Client can double check these facts in any of the Bank's branch office.

The Bank is authorized to block a disposal of funds from the account should there be a suspicion of fraud, misuse of the owner's account, a representative, a proxy or a third party.

7. Blocking of a transaction account

The Bank may block the transaction account or enforce a prohibition on disposing of funds from the transaction account in cases provided for by the law (related to enforced collection, decisions of the competent authorities of Montenegro in accordance with the regulations on prevention of money laundering and terrorist financing, the introduction of international restrictive measure etc.)

By blocking the account, the Bank may restrict or terminate temporarily or permanently the use of certain or all functionalities of the transaction account.

The Bank may also block transaction account in case of information about death of a client. After the client has deceased, funds on the transaction account are allocated on the basis of a final court decision on inheritance, or other legally recognized instruments for inheritance, and the Client's transaction account is closed.

The Bank will block the transaction account on the basis of the received order from the competent institution and proceed further in accordance with applicable legislation. During the period in which the transaction account is blocked, the Client and agents may not dispose of funds in the transaction account.

8. Closing of a transaction account

The Bank closes the transaction accounts of those clients, that ceased to exist as legal entities, in accordance with the Law or regulation, in such cases:

- when there is no record of such client in CRPS or some other public registry while there is a registration obligation, or there is a mark "deleted" , "liquidated" or some other mark (notification) by its name, which leads to conclusion that such legal entity ceased to exist as legal entity according to Regulations;

If a regulation or legal act for the persons referred to in paragraph 1 of this item does not specify a legal successor or another person in favor of whose account the transaction is executed, the Bank will transfer the funds from their canceled transaction accounts to the account of the Bank, opened for the unused funds.

The Bank shall terminate all transaction accounts of the legal entity and entrepreneur – resident, the person for whose possession a bankruptcy or liquidation has been filed, based on the request of the bankruptcy/liquidation manager and opens the transaction account in bankruptcy /liquidation for that person. With the request of the bankruptcy/liquidation manager, the prescribed documentation is submitted.

In case of Bank's client status changes-legal entity or entrepreneur, the Bank closes the account, based on the client's or his legal representative's request, with appropriate documentation, while the transaction of funds is effected from closed accounts to transaction account mentioned in the request.

An exception to the rule, that the Bank must not cancel the transaction accounts to the entity whose account is blocked, from indent 7 of this part (III-1)of General Terms and Conditions, is referred to cancelation of the client's blocked transaction account- legal entity/resident entrepreneur, when the above mentioned entities ceased to exist as legal entities.

When Bank is provided data about clients-legal entities/ resident entrepreneurs from Central Bank, who are deleted from the CRPS registry or another public registry, the Bank is obliged to suspend such account without delay.

III-2 PAYMENT SERVICES

1.Content of a payment order

The Bank shall receive and execute the following types of payment transactions: payment orders, disbursement and transfer. The form and structure of the payment order is defined by the law. An order for payment is payment order by which the execution of payment transaction of cash depositing is requested. An order for disbursement is payment order by which the execution of payment transaction of cash withdrawal is requested. A transfer order is a payment order by which the execution of payment transaction of funds transfer is requested. The form of the payment order must be duly filled in and has to be legible and signed by the Client. The Bank shall not be liable for damages that may arise as a result of delays in the processing of payment orders, if it is caused by the need for additional contact with the Client by the Bank for the purpose of supplementing and/or correcting the order.

The content of the orders given in the payment operations system in the country and abroad differs regarding the documentation:

Payment operations in the country	International payment operations
Duly filled in payment order, in accordance with the provisions of the law.	Duly filled in order / request for international payment with all the necessary information on the payer, payer's account number, amount and currency to be paid to the payee with instructions for payment, the description of the purpose of payment, payment options (cost sharing, value date) and the basis of payment (invoice / pro-forma invoice, agreement, decision etc)

2. Signing orders for payment / Verification

All types of payment orders to be submitted to the Bank must be signed by the authorized representatives from the Specimen Signature Card or other document deposited in the Bank and certified by registered stamp (non-consumers).

Payment orders received by the Bank via electronic banking services shall be signed/authenticated/authorized in the manner agreed in the Application form for this type of service as well as User's manual which regulates the electronic way of issuing payment orders.

When making a payment or cash disbursement by payment card at EFTPOS devices, the cardholder is identified by the signature or PIN, and during payment/disbursement on ATM, by PIN. Properly typed and checked PIN serves as an exclusive and unambiguous confirmation of the rendered service at an ATM or EFTPOS terminal. Cardholder is required to keep confidential his/her PIN and shall not disclose it to anyone or mark it on the card. The risk of misuse of the PIN is borne by the Client. The confirmation of a transaction made on the EFTPOS terminal that does not have PIN module is the signature of the Cardholder. When paying for goods and services on the Internet, the Cardholder verifies his/her identity by the following data: card number, card expiry date and optional security code printed on the back of the card (CVV / CVC). When paying for goods and services on the Internet, when making orders via telephone, when paying the toll and the like, the Cardholder himself shall be responsible for possible misuse if it occurred due to the negligence or gross negligence of the Cardholder or using the card contrary to general business conditions.

When dealing with a transaction account, the Client-consumer is required to identify himself/herself by the payment / bank card and valid identification document. When signing in dealing with a transaction account, the signature of the Client-consumer must be identical with the signature deposited on the request or banking / payment card.

3. Receipt of payment orders

The Bank receives payment orders in accordance with the applicable published Time Schedule of Receipt and Execution of Payment Transactions, with which the Client acquainted himself/herself in the business units and on the website of the Bank.

The Bank receives the orders for non-cash payments in advance, only through electronic banking services in accordance with Conditions defined in Application form as well as User's manual which regulates electronic mode of submitting payment orders.

The Bank receives interbank orders for non-cash payments issued in paper form in accordance with the Time Schedule of Receipt and Execution of Payment Transactions.

The Client and his agents may authorize the Bank to perform regular or occasional payments by debiting the transaction account of the Client, i.e. by standing order / direct debit. The Bank shall execute standing orders / direct debits in accordance with the conditions defined by the Client. If the set date for payment of a standing order / direct debit is not a Working Day of the Bank, payment will be made on the next Working Day of the Bank. The Bank shall execute a standing order / direct debit only if there are sufficient funds in the transaction account to cover the entire determined amount of payment and the Bank's fee for the performance of the payment service. In the event that the standing order / direct debit is not made by the Bank on the set date due to insufficient funds in the transaction account of the Client, the Bank shall try to make the payment for a number of days later, i.e. in accordance with the agreement with the payee and valid Time Schedule of Receipt and Execution of Payment Transactions. Upon the expiration of the calendar month, the Bank shall notify the Client about the impossibility to execute the Standing order / direct debit and its refusal.

4. Correctness of payment orders

The Bank shall make the payment by debiting the Client's transaction account only on the basis of a proper payment order which was submitted by the Client. The payment order is considered correct if it meets the following requirements:

- it contains a minimum required elements of the payment order in accordance with the law and these General Terms and Conditions;
- that there are enough funds in the transaction account to cover completely the payment of the amount of the order in the currency of payment, as well as a fee per transaction;
- that the content of the order is completely in accordance with applicable legal regulations and internal documents of the Bank and that there are no legal obstacles to its execution;
- that appropriate consent for payment was provided in the manner specified by these General Terms and Conditions.

5. Refusal of payment orders

The Bank shall not execute a payment order which was corrected, crossed off, deleted or changed in any other way, and for which there are no available funds i.e. the balance in the transaction account for its execution. The Bank will not execute the payment order for which there were not enough funds for its execution in the transaction account on the value date, or there were funds only for partial execution of the order, and not in its full amount. The Bank shall inform the Client about the refusal, the reasons for refusal, as well as about the procedure for correcting the errors that led to the refusal. The order which was refused is considered as not to have been received.

The Bank has the right to refuse any payment order which meets all the requirements previously listed above if its execution would be contrary to applicable legal regulations governing the prevention of money laundering and terrorist financing or internal documents of the Bank.

6. Irrevocability of payment orders

The Client may not revoke a payment order after the Bank received and processed it in its system by assigning a reference to it, i.e. after the Bank has received the approval of the Client.

If the payment transaction is initiated by or through the payee, the payer may not revoke the payment order after the transfer of the order or after the payee has given the consent for execution of the payment transaction.

Cancellation of a standing order must be submitted to the Bank for the next month, at least one month before the date set for payment. In the case of direct debit, when the agreed date is applied, the Client may revoke the payment order by the end of the Working Day preceding the agreed day of debiting at the latest, without prejudice to the right of the payer to refund.

The Bank is required to transfer the full amount of the payment transaction without deducting it by the amount of the fee, except when the Client and the Bank agree otherwise.

7. Approval of payment transactions

A payment transaction is considered to be authorized only if the Client has given consent for execution of payment transaction. The approval is given by undertaking one or more actions simultaneously. For the avoidance of doubt, it is considered that the approval was subsequently given when the payer - after already executed payment transaction - takes over the documents (certificates, certified payment orders, etc.) that refer to that payment transaction. The Client shall give consent for execution of the payment transaction by signing and taking over of a copy of the payment order with reference of processing at the Bank's counters, accepting the reference of payment order given by some of the Bank's electronic banking services, signing on EFTPOS terminals.

The Client shall give consent for the execution of payment transaction depending on the channel for receiving payment orders as follows:

- a) in the Bank's business units: by submitting the payment order to the authorized employee of the Bank or by handing the signed payment order, by handing the amount of cash necessary for the execution of the payment order;
- b) by card: by delivering the card and signing, inserting the card into the ATM and entering the PIN, with possibility of using DCC service for foreign payment cards Users, inserting the card in the EFTPOS device and by entering the PIN, or by signing a confirmation EFTPOS terminal which does not have PIN module, by slipping the card on the display of contactless reader, and by entering PIN when doing contactless payments for amounts defined by the rules of global payment systems, i.e. transactions effected on the internet (E-

Commerce payments) by entering card number, expiration date and CVV/CVC code, as well as 3D code if so required by internet sales point or MOTO /CNP transactions by entering CVV/CVC code;

- c) via HBklik / mPremium or mHBklik service; by using TAN/OTP card and PIN
- d) by Emon service: by using digital certificate issued by the company E-mon doo and PIN;
- e) at the payee: by signing the order;
- f) via Sticker, by leaning on the display of contactless reader and by entering PIN when doing contactless payment;
- g) via mobile phone which supports MyWallet application, by leaning on the display of contactless reader and by entering PIN when doing contactless payments.

When according to the applicable legal regulations certain additional documents or information are required for the execution of payment orders in addition to neatly filled payment order, the Bank shall execute the payment order if these documents and data were submitted or presented in the prescribed form, in those cases the Bank is released from liability to extend the deadline for payment order execution.

The bank will not be liable for non-execution of payment order, if it is in accordance with regulations of AML and TF, and international restrictions and embargo as well as FATCA compliance.

The consent may be revoked – by revoking the action / actions by which it was given until the execution of the payment transaction.

The order is irrevocable when the Bank receives the payment order i.e. all information necessary for the execution of the payment order.

The Client accepts that his PIN, typed and checked at an ATM or EFTPOS terminal or the signature on the certificate of EFTPOS terminal that does not have PIN module, for transactions carried out on the Internet (e-commerce payments) or MOTO / CNP transactions, entering of CVV / CVC code, is exclusive and unambiguous confirmation of the executed transaction and his identity.

At certain sales points, where due to the speed of transaction execution or technological pre-requisites, effecting the transactions without signature of the cardholder or entering of PIN (e.g. tolls, contactless payments) the client gives consent for execution of such transactions just by using the payment card, sticker or mobile phone which supports MyWallet application at the sales point.

The Client accepts that his username, PIN and OTP / TAN, typed in the application for electronic banking services, is exclusive and unambiguous confirmation of access to it.

8. Proof of authenticity and execution of payment transactions

When a Client disputes to have authorized the executed payment transaction or claims that the payment transaction was not correctly executed, the Bank shall prove that the authentication of the payment transaction was carried out, that the payment transaction was properly recorded and booked and that the execution of the payment transaction was not affected by a technical failure or some other deficiency.

Authentication is the process that enables the Bank to verify the use of a certain payment instrument including the testing of its personal security elements, in accordance with the law. A record in the database of successful / unsuccessful logins in the Internet banking system shall be considered a proof of performed authentication, in the application log with information about the date, time, serial number of the card, IP address from which the login was made as well as the description of the activities and a record of executed payment orders in the database tables with information on the date, time, amount, serial number of the card, activities by compartments (input, verification, other verification-authorization) and transaction account for payments.

9. Execution of payments between payment service providers

Time limits for the execution of payment transactions between payment service providers are defined in the Bank's Time Schedule of receipt and execution of payment transactions and they are counted from the date of receipt of payment order.

10. Cross-border and international payments

Together with payment orders submitted to the Bank, the Client shall enclose documents proving the purpose of payment and obligation to pay. The Bank shall execute the received payment order solely up to a sum available in the transaction account. The total amount of the requested order includes the amount to be paid and the amount of all fees due to the Bank by the Client for the execution of such payment order. If the balance on the transaction account is not sufficient to cover the aggregate amount of the requested order, the Bank shall not execute such order. In that case, the Bank shall not be liable for any loss due to non-execution. The Bank shall execute orders in accordance with the Time Schedule of receipt and execution of payment transactions that the Client is made aware of before signing the Framework Agreement

When processing the payment order, the Bank shall apply the Bank's daily exchange rate, unless otherwise agreed with the Client. When purchasing or selling foreign currency (foreign exchange) for the Client for a foreign payment or for the purpose of depositing it in the transaction account, the Bank shall apply the currency buying/selling exchange rate as indicated in the Bank's regular list of foreign exchange rates applicable on the buying/selling date, unless otherwise agreed with the Client.

The Bank shall execute correct payment orders via SWIFT in accordance with the Time Schedule of receipt and execution of payment transactions.

The correct payment order shall be the one containing minimum information about the Client, number of the account from which the payment will be made, recipient (full name, address, IBAN, payment instructions), purpose of payment, amount and value of payment, payment options (urgency, cost coverage, etc.) and supported by adequate documentation for the payment execution (contract, proforma invoice/invoice, decision, statement, etc.) signed by authorized signatories of the Client; as well as the order for which coverage is paid in the payment currency; and the order for which the fee coverage relating to the Client's transaction account with the Bank has been ensured. The Client authorizes the Bank to charge the fee for payment transaction services, costs of intermediary banks incurred during the execution of the payment transaction, as well as the fees for the "OUR" option, against the funds available in the Client's transaction accounts with the Bank, without any special consent. The Bank will charge the fees to the Client immediately, i.e. before the transaction is executed.

The Client shall be responsible for the accuracy of data indicated in the payment order and for the authenticity of the business / documentation.

In the electronic payment of cross-border and international transactions via e-banking service, the Client is responsible for the accuracy of entered data for the payment and for the purpose of payment.

The Bank shall be relieved of liability for extended execution time or for failure to execute payment order, if it has been the result of the application of measures under positive legal provisions governing the prevention of money laundering and terrorism financing and regulations on international restriction measures and embargo measures, as well as internationally accepted obligations related to money laundering and terrorism financing.

In exceptional cases, the Bank shall execute an order received by fax or e-mail, and in accordance with good business practices and to an extent allowed by circumstances, it will check, by external appearance, the contents and the Client's signature on the order and any supporting documents, but in case of any misuse by the sender, the Bank shall not be held liable to the Client and/or any third party for any kind of damage that might occur due to the receipt and execution of the order delivered in such form.

11. International collection

The Bank shall credit the Client's transaction account with the value date of crediting the Bank's account abroad or with another domestic bank. In the event that the foreign bank or other domestic bank revokes or modifies the order before the value date, the Bank shall not process the cash inflow and shall, on those grounds, be relieved of any liability or obligation to the Client. In the event that the Client has not provided full instruction/data, the Bank is entitled to retain the respective cash inflow until the receipt of the missing instruction/data and credit the Client's transaction account by not later than the next working day of the Bank after the receipt of the missing instruction/data. If the Client fails to provide necessary instruction/data for processing the inflow within the time allowed for the submission of data, the Bank is authorized to return the inflow to the sender, charging the amount of the inflow for its expenses. The Client authorizes the Bank to collect the fee for services as well as the costs of intermediary banks incurred when executing the payment transaction from the funds available at the Client's transaction account.

When processing an inflow, the Bank shall enter the purpose of payment code, based on data received in a SWIFT message or based on information received from the Client. The Bank is authorized to ask for additional information related to the cash inflow's purpose from the principal's bank, if needed, as well as additional documents from the Client in order to identify cash inflow's purpose, in accordance with positive legal provisions governing the prevention of money laundering and terrorism financing.

The Bank shall be relieved of liability for extended execution time or for failure to execute inflow credit order, if it has been caused by the application of measures under positive legal provisions governing the prevention of money laundering and terrorism financing and regulations on international restriction measures and embargo measures, as well as internationally accepted obligations related to money laundering and terrorism financing.

After the receipt of funds in the transaction account through international payment transaction, the Bank shall: 1) transfer the received funds to the Client's transaction account for the execution of national payment transactions and/or 2) have the cash disbursed to the Client and/or 3) effect the payment of obligations abroad.

12. E-banking service

The Bank shall approve the e-banking service upon the Client's request. In order to use the service safely, for each individual service a package of data is provided. The service is attached to a transaction account held with the Bank, which needs to be opened beforehand. All of the transactions effected via E banking service will debit the transaction account, and will be carried out as long as there are funds on it.

For the execution of non-cash payment transactions via E-banking service, the Client shall sign all the necessary documentation in accordance with Bank's internal policies and receive the relevant service package consisting of:

- HBklik:HBklikcards ()containing card serial number and TANs),PIN placed in an envelope and user instruction;
- mHBklik:PIN placed in an envelope and user instruction.
- Emon:digital certificate, PIN placed in an envelope and user instruction

The Client shall in particular be obliged to use and maintain computer and communication equipment which support the use of e-banking service, in accordance with the technical requirements stipulated in the User's manual; to make sure it is used safely; to keep safely his codes/passwords (PIN; TAN, card's serial number etc.), to protect them from theft, loss, damage or misuse, as well as not sharing these info with other people; that he will effect all the operations in ebanking in accordance with the Framework agreement, legal and other provisions; to pay the fees relevant to ebanking service in line with the Bank's Decision on tariffs of the fees; to inform the Bank immediately after the loss, theft, misuse or unauthorized use of the mobile phone, personalized security elements,or suspicion on the unauthorized use of the e-banking service; to inform Bank immediately upon the change of personal data and/or other data relevant to the smooth and safe use of the e-banking service.

The bank shall not be held liable to the Client who uses e-banking service, for the damage which occurs as a consequence of a force majeure (war, political turmoil, terrorism, natural disasters etc.) as well as a blackout situation, problems with communication networks and all other similar events which cannot be controlled by the Bank.

The Bank is authorized to make changes to the User's instructions, as well as security elements that must be met by computer and communication equipment, including mobile phones used for e-banking. The notice of change made to the User's instructions will be available in Bank's branch offices, on the web page, and will be considered as accepted by the e-banking service user, if Client continues to use it, even after the User's instructions have been changed.

13. MyWallet

MyWallet-further in text: Wallet represents the Bank's service, which enables consumers, not only the clients of the Bank, but also the cardholders from other banks, to make contactless payments on EFTOS devices at the point of sale, under certain conditions and in accordance with the User's instructions which is the integral part of the General conditions. After the cardholder has been successfully identified and mobile application installed on the phone, the Wallet operates in two ways: 1)Bank's Client-consumer, in line with instructions, gets the view of available payment cards provided by the Ban, and by choosing the available Mastercard payment card for contactless payments, the described card becomes available for using the the MyWallet application;2)Consumer- the user of payment card issued to him by another bank, can also install the above mentioned application on his mobile phone, in line with instructions, he then registers his available payment cards, and by choosing the available payment card he buys and saves the PremiumMastercard prepaid gift payment card, with denomination of 20 EUR, 50 EUR, 100 EUR or 150 EUR.

Mobile phones (devices) which are used for MYWallet application must meet all the requirements defined by User's instructions, including the installation of all the necessary security elements. The payment card user is also obliged not to change the security elements of his mobile phone, which he uses to access the Wallet, and in case he still does so, the Bank is authorized to prevent further use of MyWallet by this mobile phone, since it no longer meet the security conditions required .

The Bank is authorized to make changes to the User's instructions, the mode of choosing which payment card is suitable for MyWallet application, as well as security elements required for mobile phones which are used for this purposes. The notice will be available in Bank's branch offices, on its web page, and will be considered as accepted by the Client using MyWallet, if he continues to use it, even after the changes made to the User's instructions.

The Clients who were issued a Mastercard payment card by the Bank, which they use electronically via MyWallet application, can continue to use it even out of this app i.e. on the POS terminals, ATM machines etc. Users of paymets cards of another bank, who have activated MyWallet, in previously described manner, can use their Premium Mastercard prepaid gift Hipotekarna bank's payment card only in virtual form.

While activating the MyWallet application, the users must have an access to the internet, register the valid phone number and email address, and then choose their PIN.

In order to prevent the unauthorized use of MyWallet, whjle effecting the transactions on EFTPOS contactless payments terminlas, the chosen PIN from the registration process must be entered and used for transaction authorization.

After the transaction using MyWallet app has been successfully completed the Bank will send the notification via MyWallet , or some other channel of communication as previously agreed.

For the relationship between the Bank and Consumer regarding the above mentioned, these General conditions shall apply in proper manner, as well as General conditions of using Mastercard Premium gift card, which are available in Bank's branch offices and on the website.

14. Issuance and use of payment instruments

On the basis of an established transaction account, the Bank may issue payment instruments to the Client and/or the Client's authorized persons and/or the payment card users, upon request of the Client, in accordance with these General Terms and special conditions for such types of services.

The Bank shall issue to the Card User a payment card that will read to the Card User's name and will be connected to the Client's transaction account. The transactions made by the payment card will be charged against the transaction account on the transaction date. Payment card shall read to the name, be non-transferable and used only by the person whose name is imprinted on it, and shall be issued for an agreed period of time. Payment card may be used as a non-cash means of payment at the point of sale in Montenegro and abroad that have the card logo on display, for the purchase of goods and services and for the collection of cash solely up to the amount of cash available in the transaction account. The Card user shall be liable for all expenses arising from the card use.

In order to effect non-cash and cash payment transactions by using the payment card, the Client shall sign all the necessary documentation in line with Bank's internal policies prior to receiving payment card and PIN.

For all expenses incurred in the country, the Bank shall charge the Client's transaction account in EUR, and the amount of expenses incurred abroad shall be converted to EUR at the exchange rate defined in the Framework Agreement.

The Client is obliged to report the card loss, theft or damage to the Bank without delay.

The Bank can enter into an agreement with a resident Client, legal entity or entrepreneur, by offering a service of accepting payment cards, which is effected via EFT POS terminal and /or internet.

Based on such agreement about accepting payment cards of a resident Client, whether a legal entity or entrepreneur, at POS terminals, the payment cards for non-cash payments are accepted for certain goods and services (merchandise, various services offered, bills etc.)

By stipulating the agreement above mentioned, the Bank and Client from paragraph 1 and 2 , regulate their relations, including the amount of fees for accepting the payment cards, installing the EFT POS terminals, removing it, technical support and fixing the problems related to EFT POS functioning.

The Bank can outsource certain contracted obligations, related to acceptance of payment cards on EFT POS terminals, to its business partners, who performs them on behalf of and for the account of the Bank.

DCC service is provided on EFT POS terminals.

When effecting a transaction on EFT POS terminals by using foreign payment cards, it is mandatory for the user of such cards to declare whether he/she accepts DCC service of the Bank i.e. whether he/she agrees the transaction amount to be charged from his card in domicile currency and to pay all applicable fees in accordance with Bank's decision. In line with a decision of the above mentioned the, the amount will be charged in chosen currency on EFT POS terminal.

The Bank and Client referred to in paragraph 1 of this item shall regulate their relations and define terms and manner of conducting the transactions at the client's internet POS when stipulating Ecommerce service agreement. This will of course be in agreement with the Laws of Montenegro, and international standards and rules for payment systems MastercardWorldwide and VISA International.

15. The Bank's obligations related to payment instruments

The Bank shall:

- 1) ensure that personalized security elements of the payment instrument are made available only to the Client who is authorized to use such payment instrument;
- 2) refrain from sending a payment instrument not requested by the Client, except in the case of replacement of a payment instrument already issued;
- 3) ensure at all times that appropriate means are available to the Client to send information pursuant to Section VI-1, paragraph 1, point 2) of the General Terms and Conditions or to demand that the payment instrument be unblocked pursuant to Section VI-2, paragraph 5 of the General Terms and Conditions;
- 4) upon the Client's request, provide adequate evidence that the Client has sent information pursuant to Section VI-1, paragraph 1, point 2) of the General Terms and Conditions, provided that such request is submitted within 18 (eighteen) months after the Bank's receipt of such information;
- 5) prevent any use of the payment instrument after the receipt of the information referred to in Section VI-1, paragraph 1, point 2) of the General Terms and Conditions.

The Bank shall bear the risk of delivering the payment instrument and personalized security elements of such instrument to the Client.

The Bank shall inform the Client about issuing of payment card, via SMS and/or by calling a phone number the Client provided to the Bank and depending on which sort of a payment card, the Bank will duly inform him/her about mode of taking it over (mail service, courier service, in Bank's branch office etc.)

For the purposes of timely delivery of information to the Bank, the Bank has provided 24-hour Call Centre through which Clients can deliver all necessary information.

16. Restrictions/limits for the use of payment instruments

The Client and the Bank shall negotiate the spending limits for payment transactions performed by payment instruments that are subject to modifications, which are communicated to the Client by the Bank by applying communication methods defined in these General Terms and Conditions.

The Bank shall determine a daily limit for cash disbursement on ATMs and the payment for goods and services via EFTPOS devices and shall inform the Card User thereon when activating the card. The mentioned limits are restricted by limits of the network in which the card is used.

17. Liability for loss caused by payment cards

The Client shall be responsible for the loss caused by the fraudulent use of card until the moment of reporting the card loss or theft. After the card loss or theft has been reported, the Bank shall be liable for the loss. In case of the card loss or theft related to disbursements with the use of PIN, the loss shall be covered by the Client.

18. Payment card replacement and validity

The card shall be valid until the last day of the month embedded on the card.

The Bank will replace the previously issued payment card, which has expired, if the cardholder duly settles all the liabilities related to payment cards as well as other liabilities with the Bank, and does not previously cancel the payment card service in written form.

A new card which replaces an earlier issued cards becomes valid since its activation, while current card, in case it still has not expired, ceases to become valid in that moment.

By issuing a new card that replaces existing card with expired validity date, regardless of the number of such replacements, but provided that these new cards carry the same number, does not require the renewal of the contractual relationship between the Bank and the card user.

Thus, irrelevant of the fact that the current payment card has expired and the newly issued one replaces it, this does not call into question the continuous use of the card with the same number, even in the cases of direct debits which are the results of future agreed payments on the internet.

The Client shall return the damaged or defect card to the Bank cut, in person or by post. The Bank will cancel the damaged card and issue a new one. The card replacement service in the case of damaged card shall be charged against the Client in accordance with the Bank's Decision on Fees, unless otherwise decided by the Bank.

19.HB SMS

HB SMS service includes: 1) SMS notification on change of account balance, immediately after the change has occurred 2) SMS notification on using the payment cards on ATMs, EFT POS terminals and internet 3) Sending a text message "STANJE" to 14575 inquiring about the balance on your account 4) sending a text message " STANJE RATE" on 14575 inquiring about " your installment limit" 5) sending a message "STANJE SITNIS" to 14575 inquiring about your " Activate change" balance.

HB SMS service is contracted for undetermined time, by checking HB SMS option on the application form, and upon its approval by the Bank, the Client can use this service. The client can also choose not to receive SMS notifications if the changes are less than 3 EUR. Before using HB SMS service, the Client is obliged to provide a valid phone number in GSM mobile network in Montenegro.

The Client is responsible for all the damages which occurred due to loss, unauthorized use or the change of his phone number on which he receives SMS messages.

The Bank will not be held liable for times the Client cannot use this services due to problems in telecommunication network or other circumstances that cannot be controlled by the Bank.

For HB SMS service, the Bank will charge a fee in accordance to the Decision on fee tariffs, which is available in Bank's branch offices as well as online on Bank's website, by debiting Client's transaction account. The Client can cancel this service by requesting it in written form.

IV FEES, INTEREST RATES AND EXCHANGE RATES

The Bank's Decision on Fees for Payment Services defines the fee amounts that Clients have to pay to the Bank. The Bank's Decision on Interest Rates sets interest rates, method and time schedule of interest calculation, and value dates for entries made on transaction accounts. Interest rates, fees and the method and time schedule of their calculation may vary subject to the mentioned Decisions of the Bank.

The Bank shall calculate and charge the Client fees for maintaining transaction account, as well as fees for executing individual payment transactions under the Framework Agreement in accordance with the mentioned Decision and its amendments that are available in all of the Bank's offices and at the Bank's website and that the Client is made aware of before entering into the Framework Agreement and fully accepts them and agrees to these modifications being applied on the Framework Agreement. Also, the Bank shall calculate and charge fees for other operations related to establishing, maintaining and closing transaction account, as well as for other payment transactions that are not mentioned herein and for other services that are subject to fees under the Decision on Fees. Any modification of the Decision on Fees shall apply to the Framework Agreement from the date of such modification becoming effective until the expiry of contractual relationship, without a need to conclude separate annex to the Framework Agreement. The Bank may agree with the Client on fees more favourable than those specified in the Decision on Fees. The Client also authorizes the Bank, when instructing a payment order, to charge directly, without any special consent from the Client, any of the Client's accounts with the Bank for any fees charged by other banks and/or paid by the Bank for corrections and claims under payment transactions due to erroneous instructions from the Client.

The Client agrees that the Bank may calculate interest on the funds on transaction account in accordance with the Bank's Decision on Interest Rates and agrees that interest rates and the method and time schedule of interest calculation and charging are variable and change subject to the Bank's Decision on Interest Rates and its amendments that are available in all of the Bank's business units and at the Bank's website and that the Client is made aware of before entering into the Framework Agreement and fully accepts them and agrees to these modifications being applied on the Framework Agreement. Any modification of the Decision on Interest Rates shall apply to the Framework Agreement from the date of such modification becoming effective until the expiry of contractual relationship, without a need to conclude separate annex to the Framework Agreement.

The Bank undertakes to inform the Client in writing of modified interest rate 15 (fifteen) days before its application, in the manner foreseen in Section V of these General Terms and Conditions, in the case that the modified interest rate is not more favourable than the one currently applicable. The conditions under which the rates of regular and default interest may be changed during an ongoing contractual relationship are set by the Bank's internal documents that are publicly available to the Bank's Clients.

For any non-allowed overdrafts on transactional accounts, the Bank will charge default interest pursuant to the Bank's Decision on Interest Rates.

When executing foreign exchange payment orders, the Bank will apply its applicable exchange rate subject to prior notification of the Client on a specific exchange rate or the Bank may agree on a particular exchange rate with the Client.

For the payment transactions non-executed, unauthorized or wrongly executed by the Bank, the interest accruing to the Client shall be calculated at the applicable default interest rate under the law.

V COMMUNICATION – OBLIGATION TO INFORM THE CLIENT

The Client may receive all information related to these General Terms and Conditions and Framework Agreement/single payment transaction at all of the Bank's business units and the Bank's website, as well as upon personal request when intending to carry out a payment transaction.

The Bank undertakes, before any payment service/single payment transaction/Framework Agreement is made, to provide to the Client draft Framework Agreement, the General Terms and Conditions or a copy of the payment order comprising all necessary details.

The Bank undertakes to provide to the Client the following prior information before executing a payment transaction:

- that the Client needs to supply the unique identifier and/or specification of data for the proper execution of payment order;
- the time limit, fees, exchange rate and other information relevant to that transaction.

After the receipt and execution of the payment order, the Bank shall send to the Client a copy of the fulfilled payment order with indicated reference, transaction amount in the required currency, fees, and/or exchange rate (when required so by the transaction), and the date of receipt/processing of the order.

Framework Agreement, General Terms and Conditions, Time Schedule of the receipt and execution of payment transactions, as well as the Decision on Fees shall be written in easily understandable language and in a simple and comprehensible form.

For each individual payment transaction instructed by the payer directly, the Bank shall, at the request of the payer, give information about the maximum execution time, all fees to be paid by the payer as well as their individual amounts.

Obligation to provide information when offering a payment service shall apply to the relationship between the Client who is a consumer and the Bank, and it will apply to the relationship between the Client who is a non-consumer and the Bank unless agreed otherwise.

Maximum time of execution of payment services by the Bank is defined in the Time Schedule of the receipt and execution of payment transactions.

The method and frequency of calculation of fees on payment orders are in line with the Bank's applicable Decision on Fees, unless otherwise agreed between the Bank and the Client.

Reference rates for the conversion of currencies are those from the applicable exchange rates of the Bank, if conversion is required by the transaction underlying the payment order. The Bank and the Client may agree on a reference rate different from the mentioned one.

Calculation of interest under transaction account is made in accordance with the Bank's Decision on Interest Rates, unless otherwise agreed between the Bank and the Client.

VI PROTECTIVE AND CORRECTIVE MEASURES

VI-1 OBLIGATIONS OF CLIENTS AND THEIR AGENTS AS BANK PAYMENT INSTRUMENT USERS

The Client or the Client's agent who is authorized to use a payment instrument shall:

- 1) use the payment instrument in accordance with provisions of the Framework Agreement governing the issuance and use of such payment instrument, and
- 2) promptly inform the Bank or the person appointed by the Bank of the detected loss, theft, fraudulent use or any unauthorized use of the payment instrument.

The Client or the Client's agent shall, immediately upon the receipt of the payment instrument, take all reasonable measures to protect personalized security elements of such payment instrument.

VI-2 THE BANK'S RIGHT TO BLOCK A PAYMENT INSTRUMENT

The Bank reserves the right to block a payment instrument for objectively justified reasons:

1. relating to security of the payment instrument
2. relating to suspicion of an unauthorized or deceitful use of the payment instrument
3. in case of payment instrument involving a credit line, relating to a significant increase of risk that the payer will not be able to perform the payment obligation.
4. If the Bank has a suspicion that there is a possibility to act contrary to the AML and FT procedures
5. If the cardholder does not provide to the Bank, data and documentation required for the issuance and usage of the card (continuation of already existing contracted relation in accordance with provisions and General Bank's acts)
6. If cardholder has non-paid liabilities arising due to card use or due to some other Bank's service
7. In case the Client enters his/her PIN code wrongly on POS terminal or ATM (repeatedly).

The Bank shall inform the Payment Instrument User of the intention to block a payment instrument and the reasons therefor via the address/telephone indicated when the transaction account was established. If the Bank is unable to advise the Client, the Bank will do it promptly upon the blockade. Exceptionally, in case of justified security reasons or if that would be in violation of relevant legislation, the Bank will not fulfil its obligation to notify the Client.

The Client shall inform the Bank, without delay, to the communication addresses indicated in Section II of these General Terms and Conditions, of the detected loss, theft, fraudulent use or any unauthorized use of the payment instrument, in accordance with provisions of Framework Agreement, and Contract on Additional Services. If the loss or theft of a card or other instruments for disposing of funds on the transaction account is reported by phone (via Call Centre) or e-mail, the Client is obliged to confirm the loss to the Bank, without delay, in writing, at any of the Bank's offices. Once the card loss has been reported, the Bank will block the missing card and disable its further use.

The Bank will unblock the payment card or replace the blocked payment instrument by a new one once the reasons for blocking such payment instrument have ceased to exist.

If the payment card was blocked due to unpaid liabilities incurred, the card will temporary be blocked, and once the reasons for blocking have ceased to exist, the card will be unblocked in accordance with the General conditions.

VI-3 THE CLIENT'S RESPONSIBILITY FOR UNAUTHORISED TRANSACTIONS

The Client shall be responsible for the performed unauthorized payment transactions:

1) up to the total amount of €150 (one hundred and fifty euro), if the performed unauthorized payment transaction is the consequence of the use of a lost or stolen payment instrument or the misuse of such payment instrument resulting from the fact that the Client has not protected personalized security elements of such payment instrument,

2) in the full amount if the Client has acted in a deceitful manner or has not, knowingly or due to gross negligence, fulfilled one or more obligations specified in Section VI-1 of these General Terms and Conditions.

Notwithstanding the above, if the performed unauthorized payment transaction is the consequence of the use of a lost or stolen payment instrument or the fraudulent use of such payment instrument, the Client shall not be responsible for the unauthorized payment transaction:

- a) performed after the Client has notified the Bank in accordance with Section VI-1, paragraph 1 point 2) of the General Terms and Conditions,
- b) if the Bank has not provided adequate means for notification of the payment instrument loss, theft or fraud in accordance with Section V, point 14, paragraph 1 bullet 3) of the General Terms and Conditions.

The provisions of the previous paragraph under b) shall not apply in the case the Client has acted in a deceitful manner.

If the Client fails to inform the Bank without delay once the Client has become aware of a performed unauthorized payment transaction, and not later than within 13 (thirteen) months from the debit date, the Client shall lose the right belonging to the Client under this Section related to the performed unauthorized payment transactions. The time limit of 13 (thirteen) months shall not apply if the Bank has failed to give or make the information about the performed payment transaction available to the Client. In such a case, the Client may exercise the right under this paragraph in a period exceeding 13 (thirteen) months

VI-4 THE CLIENT'S RIGHTS IN CASE OF AN UNAUTHORISED OR WRONGLY PERFORMED PAYMENT TRANSACTION

In case of an unauthorized payment transaction or wrongly performed payment transaction including delayed payment, the Client has a right to demand from the Bank the correction of the unauthorized payment transaction / the correct execution of the payment transaction, and/or interest or repayment of the amount of the wrongly performed/unauthorized payment transaction in accordance with the law.

The Client shall lose this right if the Client fails to notify the Bank of the wrongly performed/unauthorized payment transaction once the Client has become aware of it, and not later than within 13 (thirteen) months from the date of debiting or date of crediting the transaction account. The time limit of 13 (thirteen) months shall not apply if the Bank has failed to give or make the information about such payment transaction available to the Client in accordance with the law. In such a case, the Client may exercise the right referred to in paragraph one of this Section in a period exceeding 13 (thirteen) months.

VI-5 THE BANK'S LIABILITY FOR THE EXECUTION OF AN UNAUTHORISED OR WRONG PAYMENT TRANSACTION

In case of executing an unauthorized or wrong payment transaction, the Bank shall return to the Client without delay, upon the Client's claim for a refund of the amount of the unauthorized or wrong payment transaction, the amount of the unauthorized payment transaction, and in case of executing an unauthorized payment transaction from the transaction account, the Bank shall revert the balance on the debited transaction account to the balance that existed before such payment transaction occurred. The Bank shall also return to the Client any fees charged in connection to the executed unauthorized or wrong payment transaction and pay the accrued interest. In addition to the rights mentioned above, in case of execution of an unauthorized payment transaction, the Client is also entitled to a difference up to the full compensation of damage under the general rules on liability for damage.

VI-6 THE BANK'S LIABILITY FOR THE EXECUTION OF PAYMENT TRANSACTIONS INITIATED BY THE PAYER OR THE PAYEE

If a payment order is executed in accordance with unique identifier, it is considered to be properly performed with respect to the payee who is designated by such identifier by the Client. The Bank shall not be liable to the Client for a non-executed or wrongly executed payment transaction if the Client indicated wrong unique identifier. If, in addition to the unique identifier, the Client specified other details (payee data specification), the Bank is liable for carrying out the payment transaction on the basis of unique identifier only. In such a case, the Bank shall take reasonable steps to get back the cash from a wrongly executed payment transaction, and shall calculate and charge the Client a fee for the cash refund service related to the wrongly executed payment transaction due to the Client's error.

The Bank shall be liable to the Client for the execution of payment transaction initiated by the Client, except in the following cases:

-if the Bank proves that the payment service provider of the payee has received the payment transaction amount in accordance with the law and the payment order. In such a case, the payment service provider of the payee shall be liable for the execution of the payment transaction to the payee;

-if there is a unique identifier indicated by the Client, the Bank shall not be liable for the non-execution or improper execution of a payment transaction in the case of a wrong unique identifier;

-the Bank's liability is also excluded in extraordinary and unpredictable circumstances that were beyond the control of the party referring to them, and the consequences of which were unavoidable by that party regardless of due attention, as well as in the events when the Bank was obliged to apply another regulation.

The Bank is liable to the Client-payer for the proper execution of a payment transaction initiated by the payer, except in the event that the payer has indicated wrong unique identifier. If the Bank proves to the Client-payer that the payment service provider of the payee has received the payment transaction amount in accordance with the time limits provided in the law and the payment order, the payment service provider of the payee shall be liable for the correct execution of the payment transaction to the payee. In such a case, the payment service provider of the payee shall make the payment transaction amount available to the payee and credit the payee's transaction account, without delay.

In the case of a non-executed or wrongly executed payment transaction initiated by the Client-payer, the Bank shall, upon request of the Client-payer and notwithstanding its responsibility, undertake measures, without delay, for determining the payment transaction cash flow and notify the Client-payer thereof. In the event that the Bank is liable to the Client-payer for a non-executed or wrongly executed payment transaction, the Bank shall also be liable to the Client-payer for all the fees charged against the Client-payer and all interest belonging to the Client-payer in connection to the non-executed or wrongly executed payment transaction.

If a payment transaction is initiated by or through the payee, then except in the cases when the Bank has proved that it has correctly transmitted the payment order, that the payment service user has indicated wrong unique identifier, and in the cases foreseen in Section X of General Terms and Conditions, the Bank of the Client-payee shall be liable to the payee for the correct transmission of the payment order to the payer's payment service provider and for the value date and availability of money in line with the received order and the time schedule of receipt and execution of payment transactions. If the Bank of the Client-payee is responsible for the non-executed or wrongly executed payment transaction, the Bank shall, without delay, resend the payment order to the payer's payment service provider. In the case of a non-executed or wrongly executed payment transaction initiated by or through the Client-payee, the Bank shall, upon request of the Client-payee

and notwithstanding its responsibility, undertake measures, without delay, for determining the payment transaction cash flow and notify the Client-payee thereof. In the event that the Bank of the Client-payee is responsible for a non-executed or wrongly executed payment transaction, the Bank shall also be liable to the Client-payee for all the fees charged against the Client-payee and all interest belonging to the Client-payee in connection to the non-executed or wrongly executed payment transaction.

VI-7 REFUNDS FOR AUTHORISED PAYMENT TRANSACTIONS INITIATED BY OR THROUGH THE PAYEE

The Client-payer is entitled to a full refund from the Bank for an authorised payment transaction that has already been executed and initiated by or through the payee provided the following requirements are met:

- a) at the time it was given, the consent was not given for a correct amount of the payment transaction, and
- b) the amount of payment transaction exceeds the amount that the Client may reasonably expect, considering his prior spending habits.

The Client-payer may not claim his right to a refund where the basis of the assumption that consent was not given for a correct amount of the payment transaction is the application of a reference exchange rate agreed with the Bank. The Client - payer and the Bank have agreed that the payer is not entitled to a refund provided the following requirements are met:

- 1) the payer has given his consent to execute a payment transaction directly to the payment services provider, and
- 2) where applicable, if the Bank or payee have delivered or made available to the payer the information on a future payment transaction in the agreed manner not later than four weeks before the maturity date.

VI-8 CLAIM FOR A REFUND FOR AUTHORISED PAYMENT TRANSACTIONS INITIATED BY OR THROUGH A PAYEE

The Client shall not be entitled to a refund unless he files with the Bank a claim for a refund within eight weeks of the debit value date.

The Bank may seek to receive from the Client the data required to establish the facts from the previous paragraph of this section in these General Terms.

Within 10(ten) business days of the receipt of claim for a refund, the Bank shall:

- 1) return to the Client the full amount of the payment transaction, or
- 2) provide to the Client the reasons for turning down the claim for a refund also specifying that where the Client does not accept the reasons given, the Client may file for an out-of-court settlement of dispute in payment operations.

The Bank shall not turn down the claim for a refund where so agreed in case of direct crediting between the Bank and the Client and where at the time of authorization the exact amount of payment transaction was not indicated.

VII AMENDMENTS TO THE FRAMEWORK AGREEMENT

The Bank shall notify the Client of draft amendments to the General Terms 2 (two) months before their intended effective date by delivering to the Client the draft amendments to the General Terms in paper format or another permanent medium (by posting them on the web page), or by posting them in Bank's business units, in order to give the Client sufficient time in which to take his decision on whether to accept the amended General Terms.

If the amendments relate to a change of interest rates, exchange rates or a time schedule for receipt and execution of payment transactions, the Client agrees that the Bank may execute these changes without delay, without the notification requirements from the previous paragraph of this section of these General Terms. Where the changes of interest or exchange rates are to the advantage of the Client, the Bank make make them without prior notification of the Client. Where the Client does not agree with the proposed changes, the Client may cancel the Framework Agreement without any notice or duty to pay any fees. The Client shall submit his cancellation statement to the Bank in writing, to the address of the Bank's business unit not later than one day before the effective date intended for the change. Where the Client does not submit to the Bank his statement of non-acceptance of the changes, the Client shall be deemed to have accepted the changes. Where the Client rejects the proposed changes, the Bank shall cancel the Framework Agreement.

VIII DURATION AND CESSATION OF THE AGREEMENT

The Framework Agreement is concluded for an unlimited term, and ceases either by cancellation or termination. The Client and the Bank may at all times cancel the Agreement by mutual agreement, with immediate effect. The Client may unilaterally cancel the Framework Agreement at all times in writing, by mail to a Bank business unit, with a 1 (one) month notice, save in cases set in Section VI of General Terms, requiring a shorter notice. The Bank may cancel the Framework Agreement concluded for an unlimited term, with a 2(two) month notice. The Bank shall communicate the notification cancelling the Framework Agreement to the Client clearly, in paper format, to Client's address as last recorded in Bank files. The cancellation term starts running from the date of notification dispatch.

The Client agrees that the Bank may cancel the Framework Agreement and/or individual agreement and agreement on an additional service linked to a transaction account for the Client's failure to exercise rights and for inaction in operations under (an)agreement(s) where such failure or inaction is for over 3(three) years, and the balance in the transaction account is as set by the Bank internal documents. The Bank shall charge the Client a transaction account closure fee for the cancellation of the Framework Agreement. Exceptionally, where the Framework Agreement is concluded for a period over 12 (twelve) months or for an unlimited term, the Bank shall not charge the Client the account closure fee if the Client cancels the agreement following the expiry of 12 (twelve) months. Where the Client cancels the Framework Agreement, the Client shall pay a fee only for the payment services rendered up to the date of cancellation, and where such a fee has been paid in advance, the Bank shall refund the collected fees to the Client on a pro rata basis.

The Client agrees that the Bank may cancel the Agreement in the following cases:

1. where the Client violates the provisions of the Framework Agreement or of these General Terms

2. where for the conclusion of the Framework Agreement the Client has provided the Bank with incorrect or false personal data or other data relevant to proper and lawful provision of service

3. where, in the execution of Framework Agreement with Bank, the Client acts in violation of applicable legislation governing prevention of money laundering and terrorist financing, regulations on international prevention and embargo measures, as well as international obligations in the prevention of money laundering and terrorist financing, customary practices or moral, or where the Client tarnishes Bank's reputation

4. in other cases as set by the Framework Agreement

Where the Client has several framework agreements concluded with the Bank, the cessation of one agreement does not entail the cessation of other agreements, except where that account was closed for reasons set in points 1,2,3 and 4 of the previous paragraph of this Section of the General Terms. The Client agrees that the Bank shall determine the transaction account closure procedure following the cessation of the Framework Agreement. In the event of cessation of the Framework Agreement, the Client shall fully settle all his obligations under the transaction account towards the Bank following the cessation of the Framework Agreement. Any funds remaining in the transaction account the Client has not used following cessation of the Framework Agreement or for the duration of the cancellation term shall be available to the Client even after the cessation of the Agreement.

IX OUT OF COURT PROCEDURES

Where the Client finds that the Bank does not observe the provisions of the Framework Agreement and/or agreements for an individual transaction account or these General Terms, the Client may file in a complaint within 30 (thirty) days of the date he learns of the event concerned. The complaint is filed in writing to the address of the Bank seat, the Bank's business unit referred to in Part II of these General Terms. The Bank shall respond to Client's complaint within 7(seven) business days, or within maximum 10(ten) business days of the receipt of complaint.

The Client and/or the Bank may file for out of court settlement of disputes in payment operations with the Commission for Out of Court Settlement of Disputes in Payment Operations, with the Association of Banks of Montenegro.

X EXCLUSION OF LIABILITY

Bank shall not be held liable for inability to effect payment operations in cases of objective obstacles to payment operations. Objective obstacles to payment operations shall be deemed all events and acts that make payment operations difficult or impossible and are caused by force majeure, war, riots, terrorist acts, strikes, breakdown of telecommunications and all other events that the Bank may not be held responsible for. Also considered as obstacles are the breakup, failure or malfunction of RTGS system and SWIFT. Exclusion of liability also refers to the cases where the Bank was under duty to act in accordance with applicable regulations.

XI DATA PROTECTION

Data made available to the Bank during its business and relating to the Client, including also data on his person, as well as data on the payment transaction, balance and any changes in Client's transaction account shall be considered bank, i.e. business secret. The Bank, members of its bodies, its staff and persons hired by the Bank shall not communicate, deliver, or allow access to such data by third persons, except as otherwise set by applicable regulations.

In collecting and processing Client's personal data, the Bank shall act in accordance with the law governing personal data protection. The Bank may collect and process personal data for prevention, investigation, and detection of fraudulent activities or misuse in payment operations.

XII FINAL PROVISIONS

These General Terms and Conditions are accessible on the web page www.hipotekarnabanka.com and in Bank's branch offices.

By signing the Framework Agreement, the Client confirms to have been informed of these General Terms, to have been given sufficient time to familiarize himself with the content and agree to them fully.

Montenegrin shall be the language of contractual relations and communication between the Bank and the Client before and during the contractual relations, unless otherwise agreed by the Bank and Client.

These General Terms have been drafted and construed in accordance with applicable regulations of Montenegro.

Any disputes between the Bank and the Client that may arise from the Framework Agreements and these General Terms shall be subject to Montenegrin legislation. Any disputes shall fall within the jurisdiction of a Court in which the Bank seat is located.

Provision related to cross-border payment transactions will be in force from the day of Montenegro's accession to the European Union.

All issues not regulated by these General Terms shall be subject to applicable regulations, decisions and instructions by relevant authorities and the Bank internal documents that the Client had been informed about before the Framework Agreement/individual payment transaction order was made and that have been made available to the Client in all Bank business units and on Bank's web page.

From the day these General terms and conditions entry into force, special terms and conditions on using e-banking (HB klik), mobile banking (mHB klik), special terms and conditions of using mobile banking (mPremium), special conditions for using HBSMS,

as well as General terms and conditions for operations related to transaction account and payment and other services in Hipotekarna banka ad from 9 January, 2015 cease to be valid.

These General Terms and conditions shall take effect on 8 October 2018.

CHAIR OF BOARD OF DIRECTORS
Sigilfredo Montinari