

## General Terms and Conditions of UniCredit Bulbank AD for granting loans to consumers

The General Terms and Conditions set forth the procedure and conditions under which UniCredit Bulbank AD (the Bank/Creditor) provides loans to consumers, the conditions for utilization, use, collateralization and repayment of these loans, as well as the conditions for the conclusion and effect of loan agreements.

### Terms

**Consumer** is an individual acting outside the framework of his/her commercial, business or professional activity when concluding a loan agreement.

**Loan** is the total amount of the funds provided by the Bank on the grounds of a loan agreement for utilization, as well as the debt arising out of and formed by and in connection with the utilized amounts from the principal, including the due interests, fees, commissions and other charges as per the terms and conditions of the loan agreement and the GTC.

**Total loan amount** is the maximum amount (limit) or the total amount provided under the loan agreement.

**Total due loan amount** - total amount of the loan (principal) together with the total expenses under the loan for the consumer.

**Total loan expenses** are all the costs related to the loan as per the Consumer Loans Related to Real Property Act (CLRRPA) and the Consumer Loan Act (CLA).

**Loan price** is the applicable individually agreed annual performing interest for the relevant accrual period accrued on the utilized and outstanding loan amounts, due and payable on the respective maturity date, which shall be paid as follows: for loans repaid in annuity installments - with an annuity installment of which it is part; for loans repaid in equal monthly installments for the principal - as a separate installment under the loan, together with the repayment installments for the principal; in the period for loan repayment when a repayment schedule has not been negotiated.

**Reference interest rate** – used as a basis for calculation of the variable interest rate applicable to the loan agreement. It represents a benchmark for an interest rate pursuant to Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ, L 171/1 of 29 June 2016), or an index and/or indicators published by the Bulgarian National Bank and/or the National Statistical Institute, or a combination of those. The reference interest rate shall be determined in the loan agreement depending on the currency of the loan and the period of interest accrual, and it is defined in item 7.2.

**Annual Interest Rate (AIR)** is the annual performing interest in percentage terms setting the price of the performing and/or overdue loan during the validity period as of the date of the loan agreement and as at each subsequent interest accrual period. The annual interest rate is composed of the floating reference interest rate applicable as per the loan agreement, valid for the relevant period of interest accrual, and the agreed fixed (non-floating) margin. The amount of the annual interest rate is determined in the loan agreement as at the date of its conclusion and shall be changed automatically (increase/decrease), without the parties having to agree specifically on that for the duration of its term of validity, depending on the objective change of the reference interest rate, which is valid for the relevant period of interest accrual on the loan.

**Annual percentage rate (APR)** is the individually agreed annual loan cost in percentage terms, calculated according to price costs as per the interest schedule as at the date of conclusion of the loan agreement. During the term of validity of the loan agreement the annual percentage rate (APR) increases/decreases in proportion to the changes in the reference interest rate applicable as per the loan agreement and the objective changes in loan costs until the repayment of all of the creditor's receivables under the loan.

### The loan may be repaid:

- **in annuity installments** - equal monthly repayment installments, each of them including the due performing interest as at the due date of the loan installment and the attributable amount of the loan principal as stipulated in the repayment schedule;
- **in equal monthly principal installments** - equal monthly principal installments and separate installments for the performing interests in amounts set out in the loan agreement and the repayment schedule thereto;
- in the term for loan repayment when a repayment schedule has not been negotiated.

**Repayment schedule** is the allocation of the due loan installments (annuity installments, principal, performing interest) as at the respective period of the loan agreement validity, depending on their amount, number, periodicity as compared to the payment due date for each of them (maturity). The information in the repayment schedule shall be valid only until any subsequent change in the value of the annual interest rate or in the additional expenses according to the loan agreement. The consumer is entitled at any moment during the term of validity of the loan agreement upon request to receive a loan statement for free in the form of a repayment schedule for the made and forthcoming payments.

**Interest schedules** are periods within the term of validity of the loan agreement; by signing the agreement the parties agree to have different loan prices (performing interest) paid in the said periods.

**Compensation for delay** with the legal effect of penalty is the agreed default (compensation) interest for delayed payment, as compared with the date of their agreed maturity, of each due and payable loan installment (annuity installment, for the principal, for performing interest). The

[ For the Creditor:

Borrower:

Third-party debtor:

Guarantor: ]

default interest (penalty) shall be calculated in terms of the delay of the overdue installment - annuity installment, for the principal, for the performing interest and shall amount to the statutory interest.

**Annual statutory interest amount** for overdue monetary liabilities - in the amount of the base interest rate of the Bulgarian National Bank valid as of 1. January, as of 1. July, respectively, of the current year, plus 10 percentage points. The daily amount of the statutory interest for overdue liabilities equals 1/360 of its annual amount, as defined in the previous sentence. The interest rate as per the first sentence effective as of 1 January of the current year shall be applicable for the first half of the respective year and the interest rate as per the first sentence effective as of 1 July shall be applicable for the second half of the year.

**Material adverse effect** shall mean any circumstance or event (or a succession of those) which according to the Bank has or may have significant adverse consequences or may lead to a significant adverse change in: (a) the capacity of any borrower and/or third-party debtor to fulfill and/or comply with his/her obligations pursuant to the loan agreement, the GTC and/or the collateral agreements; (b) the business activity, the property, the financial standing, the operations or the prospects of a borrower and/or a third-party debtor; (c) the rights and the interests of the Bank in relation to any collateral under the loan agreement; (d) the legal compliance, the validity and the binding nature of the loan agreement and/or a collateral agreement, or the rights, the interests or the privileges of the Bank, according to the loan agreement, the GTC and the collateral agreements; and/or (e) the capacity of the borrower to utilize the loan in the manner specified in the loan agreement and its appendices.

**The consumer may:**

- **conclude a limited liability mortgage loan agreement;** pursuant to this agreement the creditor shall collect all of its receivables up to the amount of the collateral under the agreement following enforcement actions with respect to the collateral in a court procedure or after a sale by the consumer with the consent of the creditor, or

- **conclude a full liability mortgage loan agreement;** pursuant to this agreement in case of enforcement, the consumer shall bear full liability as per article 133 of the Obligations and Contracts Act.

## **I. Conditions for the provision of loans to consumers**

1. The bank provides loans to consumers fulfilling the following requirements: **1.1.** The consumer has a current account with the Bank; **1.2.** The consumer has constant net monthly income in an amount determined according to the assessment of the consumer's creditworthiness and credit risk resulting from: **1.2.1.** Employment or service relationship pursuant to a permanent employment contract/service relationship order, whereby the Borrower has at least 6 consecutive months of working experience as at the date of submission of the loan application, has not given notice of employment termination and has received regularly his/her employment/service remuneration; **1.2.2.** Activity as a sole proprietor, as a freelancer or an activity ensuring constant income for at least one year as of the date of submission of the loan application; **1.3.** The consumer shall have and provide his/her own funds (as own contribution) in the total amount necessary to finance the purpose of the loan, corresponding to the percentage of own contribution required by the Bank, depending on the degree of creditworthiness, the assessment of the collateral and credit risk undertaken by the Bank by providing the loan; **1.4.** The purpose of the requested loan shall not contradict the law and bank regulations; **1.5.** The consumer has submitted a loan application (as per a template of the Bank); **1.6.** If the consumer and/or a person who will be a third-party debtor under the loan agreement does not speak Bulgarian, the documents related to the requested loan shall be translated by a translator. If any of the provided documents has been drawn up in a foreign language, a certified translation into Bulgarian shall be provided as per the statutory procedure. **2.** The Bank provides loans to consumers in national or foreign currency with a term and in an amount as follows: **2.1.** Maximum repayment term: **2.1.1.** For loans secured by means of a mortgage - up to 35 years; **2.1.2.** For loans not secured by means of a mortgage - up to 10 years; **2.2.** The granted amount shall be determined depending on the consumer's creditworthiness, sufficiency of the proposed collateral and own contribution under the loan; **2.3.** The bank shall provide the consumer with pre-contractual information as per Appendix No. 2 under article 6, paragraph 2, item 3 of CLRRPA, as well as article 6, paragraph 5 of CLRRPA/Appendix No. 2 under article 5, paragraph 2 or Appendix No. 3 under article 8, paragraph 2 of CLA, as well as under article 5, paragraph 7 of CLA. The provided information shall not have the legal effect and consequences of an offer and shall not bind the bank to approve and negotiate the requested loan. **3.** The bank shall inform the consumer of the decision made in relation to the requested loan within 14 days as of the provision of the required documents. When the creditor refuses to provide a loan on the grounds of a creditworthiness evaluation, it shall duly and free of charge inform the consumer of the refusal and, if this is applicable, that the refusal is based on automated processing of data. The Bank is not obliged to give grounds for its refusal to grant a loan except for the cases when on the grounds of the check in the Central Credit Register or another database and pursuant to article 14, paragraph 4 of the CLRRPA/ article 18 of the CLA it shall notify immediately and free of charge the consumer of the check results and of consumer information in the register. The period of validity of the decision to approve the requested loan is 3 months. If within this period the consumer does not sign a loan agreement for reasons beyond the control of the Bank, the decision term expires and another application shall be submitted, as well as if necessary new/additional documents shall be provided.

## **II. Conditions for utilization of loans by consumers**

**4.** The borrower shall be allowed to utilize amounts from the loan after the cumulative fulfillment of the following conditions: **4.1.** Establishing of the agreed collaterals in the manner and form stipulated by the law and entering them in the relevant registers; **4.2.** Submission of certificates

[For the Creditor:

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in the form required for each agreed collateral, certifying the Bank's rights as a first-ranking mortgagee/pledgee, as well as the absence of registered encumbrances, rights and claims by and in favour of third parties regarding the subject of the collateral (for example real encumbrances, pledges/mortgages in favour of another creditor, statements of claim, registered foreclosures, lease contracts, established right to use and other enforceable rights of third parties); **4.3.** Providing the insurance policies as per the GTC; **4.4.** Fulfillment of other contractual terms and conditions for utilization; **4.5.** Payment of the fees and commissions with grounds and amount determined in the loan agreement; **4.6.** Lack of facts, events or circumstances (or a sequence of these) that had or could have a material adverse effect; **4.7.** Submitting a written application for utilization of amounts from the loan, when applicable. **5.** The term for utilization is determined in the loan agreement. If no such term has been explicitly specified, it shall be up to 3 months as of the date of the loan agreement. If the collateral in favour of the Bank does not fulfill the requirements under items 4.1. and 4.2., the Bank shall not allow loan utilization until the collateral is brought in line with the requirements in the specified items within a period no longer than three months from the date of the loan agreement conclusion. When the term expires, the loan agreement shall be terminated. **6.** The loan shall be filed and accounted for in the books of the Bank by entering all utilized and recovered amounts. It shall be utilized fully or partially through the current account of the borrower, specified in the agreement. The borrower shall verify the compliance with the conditions determining the arising of the right to use loan amounts by providing the relevant original certification documents.

### III. Interest rates, fees and commissions:

**7.** The utilized non-repaid portion of the loan (performing and/or overdue debt) during the term of effect of the agreement shall accrue a performing interest rate the amount of which is set for the relevant period from the interest schedule as an annual interest rate composed of the individually agreed floating reference interest rate applicable for the relevant interest accrual period according to the loan currency and its periodicity within the effective interest rate schedule plus the agreed fixed (non-floating) margin for the term of validity of the relevant interest rate schedule. **7.1.** The interest accrual shall begin as of the date of the first utilization of the loan. Each following interest accrual period begins on the first business day of the following calendar period (month, quarter, etc.) as per the periodicity of the applicable reference interest percent. **7.2.** The reference interest rate applied depending on the currency of the loan and the interest accrual period shall be: **7.2.1.** For loans in BGN: **7.2.1.1.** Average Deposit Index (ADI). The applicable ADI shall be calculated by the Bank as the average interest rate of the whole volume of deposits in BGN of Non-financial Corporations and Households sectors in the Bulgarian banking system, presented in the following tables from the Interest Rate Statistics of the Bulgarian National Bank (BNB): Interest Rates and Volumes of Outstanding Amounts on Time Deposits of Non-financial Corporations Sector, Interest Rates and Volumes of Outstanding Amounts on Time Deposits of Households Sector, Interest Rates and Volumes of Outstanding Amounts on Overnight Deposits and Deposits Redeemable at Notice of Non-financial Corporations Sector, Interest Rates and Volumes of Outstanding Amounts on Overnight Deposits and Deposits Redeemable at Notice of Household Sector, published on the website of the BNB: <http://bnb.bg/Statistics/StMonetaryInterestRate/StInterestRate/StIRInterestRate/index.htm> (the Tables), calculated by weighting the values of the effective annual percentage of all clients categories and BGN deposits types in the Tables directly extracted from the Tables, through their volumes for the respective month. The weighted average value is determined as the sum total of the products of the effective annual rate and the volume for the respective client category and the deposit type announced in the Tables prior to the end of each calendar month with data from the previous month, is divided by the sum total of the volumes of all deposits in BGN for the same month in accordance with the information in the Tables. Detailed information with examples of ADI calculation are published on the website of the Bank (<https://www.unicreditbulbank.bg/bg/metodologiya-za-opredelyane-na-lihvenite-protsentii-po-kreditu>). The current value of ADI shall be published on the website of the bank (<https://www.unicreditbulbank.bg/bg/pazarni-lihveni-indeksi/>) on the first business day of each calendar month and shall be applied as of the first business day of the calendar month until the day preceding the first business day of the next calendar month, including; **or 7.2.1.2.** Household term deposit index (HTDI). The applicable HTDI shall be calculated by the Bank as the weighted average interest rate on the total volume of term deposits in BGN of the Household Sector in the Banking System in the Republic of Bulgaria, presented in the following table from the Interest Rate Statistics of the BNB: Interest Rates and Volumes of Outstanding Amounts on Time Deposits of Households Sector, published on the website of the BNB at: <http://bnb.bg/Statistics/StMonetaryInterestRate/StInterestRate/StIRInterestRate/index.htm> (the Table), calculated by weighting the values of the effective annual percentage of all clients categories and BGN deposits types in the Tables directly extracted from the Table, through their volumes for the respective month. Detailed information with examples of HTDI calculation are published on the website of the Bank (<https://www.unicreditbulbank.bg/bg/metodologiya-za-opredelyane-na-lihvenite-protsentii-po-kreditu>). The current value of HTDI shall be published on the website of the bank (<https://www.unicreditbulbank.bg/bg/pazarni-lihveni-indeksi/>) on the first business day of each calendar month and shall be applied as of the first business day of the calendar month until the day preceding the first business day of the next calendar month, inclusive; **7.2.2.<sup>1</sup>** For euro loans – one-month or three-month EURIBOR equal to the index published on REFINITIV's page "EURIBOR01=" at 11.00 Central European Time two working days before the first working day of each calendar month or calendar quarter, the EURIBOR thus determined shall apply from the first working day of the calendar month, or the calendar quarter, respectively, until the day preceding the first working day of the next calendar month, or calendar quarter, respectively, inclusive. **7.2.3.<sup>1</sup>** For overdrafts – ADI/HTDI and the one-month EURIBOR, which shall be changed every first business day of the calendar month; **7.2.4.** In the event that the BNB ceases the uninterrupted

<sup>1</sup> business days in the Republic of Bulgaria

publication of the data from any of the Tables specified above, as well as in the event that the reference interest rate applicable to the loan agreement (A) changes significantly or (B) is no longer made or, respectively, no longer exists or cannot be used on the grounds that: (a) an official statement made by the administrator of the relevant reference interest rate, the supervisory authority of such administrator, an insolvency authority, an authority with powers for restructuring of the relevant administrator, court of law or a subject competent in relation to issues of insolvency and restructuring of the respective administrator, (b) withdrawal of the rights of an administrator to provide the relevant reference interest rate, (c) a prohibition according to the relevant applicable law or (d) an official statement or information by a supervisory authority that the relevant reference interest rate is no longer representative, and as a result the bank ends up incapable to calculate the reference interest rate applicable under the loan agreement, the Bank in compliance with the legal requirements shall apply an Action Plan approved by its Management Board in the event that a benchmark ceases to be provided, pursuant to article 25, paragraph 6 of the CLRRPA/ article 33A, paragraph 5 of the CLA and article 28, paragraph 2 of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ, L 171/1 of 29 June 2016). As at the time of applying the plan referred to in the preceding sentence, the new interest rate under the loan agreement shall not be higher than the amount of the interest rate under the loan agreement before that time. Until the Action Plan becomes effective in case of cessation of a benchmark, the Bank shall apply the most recent calculated value of the reference interest rate applicable to the loan agreement. The Action Plan in case of cessation of a benchmark shall not apply if a statutory substitute is determined for the reference interest rate applicable under the loan agreement. **7.3.** In case of loans repaid by means of annuity installments the annual interest rate of the loan shall change (increase/decrease) automatically according to the change of the agreed applicable reference interest rate in case the change exceeds 0.25 (zero point twenty-five) percentage points compared to the amount of the applicable reference interest rate effective as at the date of the change. **7.4.** In case of loans repaid by means of equal monthly installment for the principal, including in case of overdrafts, the annual interest rate under the loan shall change (increases/decreases) automatically with the amount of the declared change of the agreed and applicable reference interest rate in terms of its periodicity, whereby the amount of the interest installments under the repayment schedule shall change, respectively. **7.5.** The Bank shall notify the borrower of each change in the reference interest rate as per the provisions of item 7.3. and item 7.4. in the statement regarding loan movement specifying the amount of the changed repayment installments. The notification shall be given also by announcing the reference interest rate effective as at the time of the change on the website of the bank and at its cash desks. The Bank provides the borrower free of charge information about the loan via the Bank's mobile/online banking platforms and/or via email. In case the borrower does not use the Bank's mobile/online banking services and has not provided an email for providing the information or the email provided is outdated, incorrect or non-existent, the information shall be provided by the Bank upon request. **7.6.** The change shall become effective automatically on the date of the announcement, as per the provisions of item 7.2., of the new value of the reference interest rate according to its periodicity while maintaining the fixed (non-floating) margin set forth in the loan agreement without the parties having to conclude an additional agreement. **7.7.** At any moment of the term of validity of the loan agreement the borrower may receive information about the exact amount of the reference interest rate applicable to the loan announced on the respective date as specified in item 7.2., as well as on the cash desks and website of the Bank. **7.8.** When the effective reference interest rate for the relevant interest accrual period changes, the parties to the loan agreement shall accept the interest conditions under the loan as automatically changed, as the new reference interest rate replaces the changed one while the agreed margin is preserved. The changed interest conditions are mandatory and binding for the parties, and it is not necessary to change the loan agreement formally. In case of disagreement with the changes of the loan agreement and/or the GTC made on grounds set forth therein, the borrower shall have the right to repay the utilized amounts and the full amount of the relevant interest, fees, commissions and charges as per the provisions of the loan agreement and the entire amounts due and payable to the bank as at the date of repayment and terminate the loan agreement ahead of schedule. **7.9.** In case of failure to repay a repayment installment as per the repayment schedule, the overdue installment shall accrue a default interest (penalty) during the period of the delay amounting to the statutory interest. **7.10.** The interests are accrued on the debt based on the actual number of days from the month/360. The interests for performing debt shall be paid on a monthly basis or according to the periodicity and on the maturity date specified in the repayment schedule, while the compensation (penalty) for delay shall be accrued for each day of delay and shall be immediately due and payable. **7.11.** The fees and commissions shall be determined and specified in the loan agreement and the subsequent annexes thereto. **7.12.** When applicable, the borrower shall pay an early repayment fee amounting to 1% (one percent) on the early repaid debt, due and payable for full or partial early repayment before the repayment of 12 monthly repayment installments as of the date of utilization of the loan. The due and payable fee shall be paid together with the amount posted as early repayment of the loan. The early repayment application shall have a legal effect and termination consequences regarding the early repaid amount as of the time it is paid in as full or partial repayment of the liabilities as per the loan agreement. In case of partial repayment the borrower shall be entitled to reduction of the total costs for the loan. This reduction shall refer to the interest and all other costs for the rest of the duration of the agreement. **7.13.** All fees, commissions and other administrative and legal costs explicitly envisaged in the loan agreement as due by the borrower, including notary fees as well as any costs, other than the management costs, incurred by the Bank for the account of the borrower by virtue of the law and/or the loan agreement for the payment of used additional services with regard to the conclusion, execution, collection of receivables of the Bank and the final repayment of the amounts due under the loan agreement, including but not limited to expert evaluations, consultation, registration, change, renewal and cancellation of the collateral, undertaking enforcement actions arising from a court

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decision, obtaining a writ of execution, instituting enforcement proceedings, hiring relevant experts and defense lawyers shall be borne by the borrower in the amounts stipulated by the law. In case of early claim or termination of the loan agreement, they shall remain due until fully repaid, including through enforcement, along with the consequences stipulated in the law. **7.14.** The borrower shall also pay any costs incurred by the Bank in the course of enforcement proceedings for collection of the Bank's receivables under a loan that is not repaid voluntarily, including the costs for sending the notice under article 60 of the Credit Institutions Act. **7.15.** The costs under 7.14., including but not limited to costs for legal protection, the protection, management and liquidation of the debtor's property and/or collateral and other amounts required and paid for administrative costs are due and payable by the borrower and the third-party debtors under the loan agreement as provided for by law, according to the distribution of the liability.

#### **IV. Collateral**

**8.** By granting loans the Bank accepts personal collaterals in the form required by the law regarding their validity, as well as liquid (sellable) property (material and/or receivables) whose value discounted pursuant to the regulations shall be no less than the total loan amount. **9.** In relation to full liability mortgage loans, if due to a change of the prices, the exchange rate or other circumstances, the value of the property that is collateral decreases and the Bank finds it insufficient to guarantee its receivables under the loan, the borrower and/or the third-party debtors under the loan agreement, reduce the liability under the loan agreement when requested by the Bank for the first time, or provide additional collateral as determined by the bank in terms of type, amount and term, in the form required by the law and under the conditions of the particular collateral agreement. In the cases referred to in the previous sentence, when requested by the Bank, the borrower or the third-party debtors under the loan agreement shall provide or ensure the provision by the owner, respectively, an up-to-date market appraisal of an asset mortgaged/pledged in favor of the bank. When preparing the market appraisal, the following rotation of appraisers shall be observed:

- when the previous four appraisals of one and the same asset mortgaged/pledged in favour of the Bank were drawn up by the same licensed appraiser - by another appraiser acceptable for the bank (other than the previous one);
- in case of non-fulfillment of the loan agreement, the GTC and/or the collateral agreements, when the previous two appraisals of one and the same asset mortgaged/pledged in favour of the Bank were drawn up by the same licensed appraiser - by another appraiser acceptable for the bank (other than the previous one);

In case the borrower/third-party debtors under the loan agreement fails to comply with the obligations under this item, the Bank shall have the right to conclude, on its own behalf or on behalf of the borrower, contract/s for drawing up an up-to-date market appraisal of any property subject to appraisals accepted as collateral, with a licensed appraiser of its own choice, complying with the said appraisers rotation, under terms and conditions it considers proper. The costs under contract/s concluded by the Bank for drawing up a market appraisal shall be borne the borrower, with the joint and several liability of the third-party debtors under the loan agreement. The Bank shall have the right to repay the amounts necessary for the drawing up of the market appraisal of the property used as collateral on its behalf or on behalf of the borrower and/or each third-party debtor under the loan agreement at their expense, by debiting these amounts from the accounts of the borrower/third-party debtor under the loan agreement, opened and kept with it. Alternatively, it can collect these amounts from the received price in case of sale of the collateral provided under the loan agreement.

#### **V. Insurance**

**10.** The borrower shall conclude or ensure the conclusion and maintenance of insurance throughout the term of validity of the agreement, when applicable, against all risks subject to insurance with regard to his/her health and life, as well as with regard to his/her properties accepted as collateral. The total amount of the insurance compensation shall not be smaller than 100 % of the amount of the loan and the Bank shall be specified as the only beneficiary of the insurance compensation. The insurance, insurance risks and insuring company shall be coordinated in advance with the bank. **11.** In the event of destruction or damage or the collateral the Bank shall receive the insurance compensation payable to it under the insurance policy in favour of the Bank. **11.1.** Upon occurrence of an insurance event the insured party or his/her heirs, the owner of the insured property respectively, the borrower and/or the third-party debtors under the loan agreement shall take all necessary actions requested by the insurer within the due term and shall provide the documents pursuant to which the Bank shall receive the insurance compensation pursuant to the insurance policies. The borrower shall ensure the provision of a new policy under the same terms and conditions negotiated with the bank within a month prior to the expiry of the effectiveness of each insurance policy; **11.2.** No early repayment fee shall be due in case of full or partial early repayment of the loan by paying an insurance compensation.

#### **VI. Conditions for repayment of loans of consumers**

**12.** The loan shall be repaid on a monthly basis after the expiry of the grace period if such has been negotiated. The specific type, amount and terms for repayment of the due amounts under the loan shall be determined in the repayment schedule to the loan agreement. **12.1.** When no repayment schedule has been negotiated, the loan shall be repaid in the determined repayment term. **12.2.** The borrower provides the necessary amounts for repayment of the due and payable loan amounts on his/her accounts. **13.** The loan shall be repaid in the currency in which it has been provided. In case of repayment in currency other than that of the loan, the Bank shall perform arbitration proceeding, buying the currency as per its rate for the bills payable in foreign currency as at the date of the transaction. **14.** In case of early repayment (full or partial) of the debt under the mortgage loan agreement concluded in accordance with the provisions of the CLRRPA, the borrower shall pay an early repayment fee amounting to 1% (one percent) of the early repaid debt if the early repayment is made before the repayment of twelve monthly

repayment installments as of the date of loan utilisation. No early repayment fee shall be due in the case referred to in article 25, paragraph 8 of CLRRPA and item 11.2., as well as in case of early repayment (partial or full) of the debt under a consumer loan agreement not concluded as per the provisions of CLRRPA. **14.1.** Unless agreed otherwise when the amount received in the Bank is insufficient for repayment of the whole installment under the loan, any early repayment fee shall be repaid first, if due, then the default interests (penalty), the accrued and due performing interests, the portion of the interests in case of an annuity installment, respectively, and with the remaining portion - the repayment installment for the principal or the portion of the principal in case of an annuity installment, respectively; **14.2.** In case of early repayment of a portion of the loan, the parties under the agreement shall negotiate a change in the repayment schedule through a change of the repayment installment amount or of the loan repayment deadline. **15.** In case of change of the annual interest rate under the loan according to the announced changes in the reference interest rate applicable as per the respective loan agreement or as a result of a change in the agreed interest terms by mutual consent of the parties, respectively, by fulfilling the conditions under item 7.3 and item 7.4, the Bank shall change the repayment installments under the repayment schedule and notify the borrower at the provided e-mail or at the mailing address by sending a loan statement specifying the amount of the changed repayment installments after the applicable interest rate comes into effect after the change. The information shall be provided to the borrower regularly. **16.** In case of a change of the annual interest rate arising out of a change in a specific reference interest rate and when the new reference interest rate is announced publicly by means of suitable tools, the information about the change may be found in the commercial premises of the Bank. **17.** The Borrower and third-party debtors under the loan agreement shall submit to the Bank a written consent for automatic collection of receivables / consent for direct debiting as per Ordinance No. 3 of the BNB on the Terms and Procedure for opening payment accounts, executing payment transactions and using payment instruments. Pursuant to this consent the Bank shall unilaterally collect the payable amounts under the loan from their account in national and foreign currency on the maturity date or after it.

## **VII. Rights and obligations of the Bank**

**18.** While managing the loans the Bank shall: **18.1.** According to the information in its accounting records, it shall provide the borrower with a loan statement in the form of a repayment plan, when applicable, free of charge, at any time during the execution of the agreement, upon a submitted request. **18.1.1.** If any errors are identified in the data, the borrower shall notify the Bank immediately. If the borrower does not dispute the statement data within 14 days from the date when the statement was provided in the manner selected according to the provisions above, s/he confirms the borrower's consent to it. **18.2.** Submit information about the loan only to the borrower, the persons authorized by the borrower by way of a notary certified power of attorney, to third-party debtors under the loan agreement, mortgagors/pledgors, well as to authorities and persons in the cases stipulated in the law and/or the agreement. The Bank can provide information to its related persons, too – companies belonging to UniCredit Group, as well as to its counterparties. The borrower shall give his/her explicit consent to this by signing the loan agreement. **18.3.** Any letters, documents, letters before action and information related to utilization, use and repayment of the loan, the due amounts, including fees and commissions, sent by the Bank by mail with acknowledgment of receipt to the mailing address indicated by the borrower/ the third-party debtors under the loan agreement, which are returned to the bank because they were not received and/or demanded including because the respective recipient has changed his/her mailing address without notifying the Bank in writing, shall be considered duly submitted as of the date of their sending and shall be enclosed to the credit file. **18.4.** Report the utilization, use and repayment of the loan in its books, as per the procedure stipulated in the law. **18.5.** Give its explicit consent in the form stipulated by the law for cancellation of the collaterals entered in its favour following the final repayment of the entire loan and submitted written request by the borrower. The expenses shall be borne by the borrower. **19.** In case of an identified violation of the GTC, the loan agreement and the collateral agreements by the borrower and/or a third-party debtor under the loan agreement/ mortgagor/pledgor, or in case of a significant change in the circumstances serving as grounds to grant the loan without which the Bank would not have granted the loan, and/or in case of an event or circumstance which the bank considers as having or expected to have a material adverse effect and provided that after the bank has sent written notice within a 10-day period no actions to eliminate the found violations and/or inconsistencies have been undertaken, the Bank can: **19.1.** Temporarily suspend or not approve further utilization of loan amounts; **19.2.** Claim early repayment of the loan or part of it as per the terms and conditions and the respective consequences referred to in Section IX; in any case, interests for future periods – performing interests or default interests – shall not be due; **19.3.** Undertake other actions compliant with the law to protect its interests as a creditor depending on the particular case; **19.4.** Deduct each amount due and payable by it in favour of the borrower, including before its maturity, from any of the payable and overdue receivables of the Bank from the borrower pursuant to any of his/her agreements with it, considering the Borrower's liability regardless of the currency of the payment, applying the exchange rate for bills payable in foreign currency of the Bank on the day of the transaction; **19.5.** At its own discretion, assign its receivables (as per article 99 and subsequent articles of the Contracts and Obligations Act) from the borrower and the third-party debtors under the loan agreement in favour of a third party specified by it, without having to notify the borrower and and the third-party debtors under the loan agreement in advance; **19.6.** The Bank is entitled to claim from the borrower who has opted for the full liability under the loan agreement to provide an additional collateral in case the market value of the provided collateral becomes lower than the amount of the utilized and outstanding loan. The refusal of the borrower to provide the required collateral is an expression of the borrower's consent that the Bank may claim early repayment of the loan and the respective interests and commissions, due in full, and proceed with enforcement proceedings for their collection.

## VIII. Rights and obligations of the borrower

20. Until the final repayment of the loan and all other liabilities pursuant to the loan agreement, the borrower and/or the third-party debtors under the loan agreement/mortgagor/pledgor shall: **20.1.** Maintain the degree of solvency, creditworthiness and credit risk as per the loan agreement on a level not lower than the existing one and/or the one determined as of the date of loan approval; **20.2.** Take due care of the provided collateral as stipulated in the law so that its market value does not decrease as compared to that as at the date of the loan agreement and is maintained equivalent to the real debt and receivables of the Bank as at each date of the term of validity of the loan agreement; **20.3.** Fulfill their contractual obligations which constitute source of income to service the debt and shall not allow for their termination unless any relations under other contracts arise providing the required income to pay the Bank's receivables; **20.4.** Use the loan only for the purpose specified in the loan agreement and repay it according to the repayment schedule, if applicable, and the provisions of the agreement. They shall not use any amounts of the granted loan for the acquisition or subscription (direct or indirect) of shares or bonds convertible into shares from the capital of the Creditor or another bank or company within UniCredit Group, or any other equities issued by the Creditor or another bank or company belonging to UniCredit Group. For the purposes of these GTC and each agreement, UniCredit Group shall mean UniCredit S.p.A. and all companies controlled (directly or indirectly) by UniCredit S.p.A., while "control" shall have the meaning defined in the Credit Institutions Act; **20.5.** Ensure the fulfillment of the commitments referred to in item 9 and item 12; **20.6.** Service their liabilities properly within the specified term and shall not allow indebtedness which prevents them from fulfilling their contractual obligations, shall not allow, by any act or omission, any of the circumstances in item 23, 24 and the subsequent ones. **21.** The borrower and/or the third-party debtors under the loan agreement shall: **21.1.** Provide the Bank with accurate and up-to-date information duly verified by a competent person or body regarding the sources of their income and its amount, their financial standing, real rights over the provided collateral, its condition and assessment, including but not limited to, about: a) opened accounts and used loans provided by other banks; b) economic relatedness by signing a declaration as per a template of the Bank, as well as any documentation for the purposes of banking control; c) cost-proving documents for the purposeful utilization of the loan; d) maintaining, reporting and keeping the collateral. **21.2.** Immediately notify the Bank of: **21.2.1.** Any change in the data and the information provided to the Bank. **21.2.2.** The initiation of claims, non-contentious proceedings, administrative and other proceedings, as well as any court sentences or constitutive decisions against the borrower and the third-party debtors under the loan agreement in relation to the collateral; **21.2.3.** Received letters before action from creditors and the competent bodies in relation to initiated enforcement proceedings, as well as precautionary measures under claims, administrative proceedings or enforcement proceedings, including against the collateral and/or preventing the servicing of the loan; **21.2.4.** The occurrence or expected occurrence of an event or circumstance, which has or is expected to have a material adverse effect. **21.3.** Pay on time all his/her public and other liabilities. **21.4.** When each contracting party under the loan agreement accepts and signs the GTC, constituting an integral part of the agreement, they shall give their explicit consent for Creditor to assign/provide its receivables from them for collection in favour of third parties designated by the Creditor. **21.5.** Provide on their accounts with the Bank the required amounts to pay: **21.5.1.** The insurance premiums and extend the term of the insurances under which the Bank is a third party-beneficiary; **21.5.2.** Extend the term of validity of the registration of the loan collaterals prior to the expiry of the statutory term; **21.5.3.** The Borrower and the third party-debtors under the loan agreement shall provide any necessary documents in the form required by the law until the full repayment of the receivables of the Bank under the loan in order to ensure the maintenance, renewal, validity and effect of the insurances and collaterals, including to perform the required actions, acts, registrations in the respective registers, including cadastral schemes, cadastral drawings and any other documents required by the law or by the relevant registry office within a term not shorter than 4 months prior to the expiry of the term of validity of the registration. **22.** Until the repayment of the entire loan, the borrower and the third-party debtors under the loan agreement shall agree not to transfer the ownership, encumber, establish any rights in favour of third persons or change the location of any property which is collateral under the loan agreement without the preliminary written consent of the Bank. **22.1.** In addition to the other contractual provisions in the loan agreement stipulating compensations for additional costs and payments incurred by the Bank in relation to actions caused by the improper and inadequate execution of the loan agreement by the borrower, the latter shall recover to the Bank and indemnify it for the additional damages within 3 working days from the request by the Bank, undertaking the obligation to pay to it a penalty in the amount of each cost and payment, as per the respective cost-proving documents, made or incurred by the Bank as a result of: **22.1.1.** Inaccurate or misleading information provided or confirmed by the borrower or on behalf of a person obliged to provide it; **22.1.2.** Investigation, lawsuit or proceedings of any type in relation to the borrower or a third-party debtor under the loan agreement related to the loan and/or the income for servicing it and/or the existence, validity of the collateral and the first ranking of the rights of the Bank over it. **22.2.** The Borrower and the third-party debtors under the loan agreement, as per the conditions of joint liability, shall cover and pay at their own expense and indemnify the Bank, respectively, for all amounts it has paid in relation to taxes, fees, costs, expert reports, lawyer's fees and other administrative costs payable or incurred in relation to the conclusion, signing, notary certification, registration of the collateral in the respective registers and its assessment. **22.3.** The Borrower and the third-party debtors under the loan agreement shall be jointly liable and pay immediately to the Bank any costs in relation to enforcement actions or protection of the rights of the Bank as a result of failure to fulfill the contractual obligations under the loan agreement and collateral agreements. **22.4.** The borrower and the third-party debtors under the loan agreement declare that they are familiar with the obligation of the Bank to comply with the laws and regulations related to applying economic and financial sanctions or a trade embargo, or any other restrictive financial and economic measures adopted or imposed by the United Nations,

the European Union, the United States of America, the United Kingdom of Great Britain and Northern Ireland, the Republic of Italy, the Federal Republic of Germany and/or governments, institutions or agencies (hereinafter referred as "the sanctions"), and with regard to the above, they declare that: (A) to the best of their knowledge, neither the borrower nor the rest of the parties to the loan agreement currently are subject to sanctions, sanctioned or in breach of the sanctions; (B) the loan and/or proceeds related to it will not be used or lent, directly or indirectly, in any way whatsoever, personally or in association with a third party: (a) for financing any prohibited activity or an activity of a person or with any person, or in any country or territory that at the time of such financing is a sanctioned person or a sanctioned party, (b) or in any other way that could result in a violation against the sanctions by any person. Having regard to the above: (i) "Sanctions" shall mean all laws, regulations, restrictive measures for compliance with economic, financial or commercial sanctions or other sanctions that are introduced, applied, imposed, enforced or publicly announced by the above listed organizations, countries and/or governments, institutions or agencies; (ii) "Sanctioned country" shall mean every country or territory, which is subject to, or its governance is subject to sanctions applicable for the entire country or territory; (iii) "Sanctioned person" shall mean: (a) any person included in the list related to the sanctions against particular persons, which is maintained by the Office of Foreign Assets Control (OFAC) of the U.S. Department of the Treasury, the U.S. Department of State, or by the United Nations Security Council, the European Union or any EU member state, (b) any person operating, registered or residing in a sanctioned country or (c) any person that is owned or controlled by such person or persons, as described in the preceding clauses (a) or (b) of sub-item iii. **22.4.1.** The circumstances represented under the preceding item shall be considered be true, corresponding to the objective reality, valid and restated as at any time during the validity term of the loan agreement; in case of any changes, the borrower and the third-party debtors under the loan agreement shall immediately notify the Bank.

#### **IX. Acceleration of the loan and enforcement**

**23.** The loan can be accelerated partially or fully on the grounds stipulated by the law, in the loan agreement and the GTC. **23.1.** The Bank accelerates a partial amount or the full amount of the due and payable receivables under the loan and notifies the borrower that it proceeds with enforced recovery of its receivables in accordance with the procedures of the loan agreement and the provisions stipulated in the law by sending notice to the mailing address selected and specified by the borrower in the documents related to the loan. In the event of early claim of the loan the Creditor does not have the obligation to additionally express an explicit demand in this respect, and it expresses its statement for declaring its receivables under the loan automatically and immediately due and payable by means of the notice sent to the borrower for this purpose to the mailing address, indicated by him/her. For the purposes of due notification as per the loan agreement shall be applied fictitious handing (the notification for early claim is duly handed at the address of the borrower/third-party debtors under the loan agreement indicated in the documents related to the loan). **23.2.** In case the receivables of the Bank pursuant to the loan are accelerated partially or fully, the Bank's obligation to provide unutilized amounts from the loan shall be canceled and the Bank shall immediately undertake to collect its receivables, including by obtaining an immediate enforcement order and a writ of execution as per an excerpt from its books. **23.3.** As far as loans with limited liability are concerned, the Bank shall undertake to recover its receivables by enforcement against the property provided as collateral pursuant to article 24, paragraph 2, item 1 of CLRRPA. **23.4.** As far as loans with full liability are concerned, the Bank may recover its receivables by enforcement against the entire property of the borrower and/or the third-party debtors under the loan agreement pursuant to article 24, paragraph 2, item 2 of CLRRPA. **24.** The Bank accelerates a part or the full loan amount and proceeds with enforced recovery of its receivables under the loan upon occurrence of any of the following reasons, each independently constituting a material breach of the Borrower's contractual obligations under the loan agreement, namely: **24.1.** The occurrence of any of the following events shall be considered as a material breach giving grounds and right to the Bank to accelerate the due and payable loan (a case of material breach): **24.1.1.** A payment of an installment in the full agreed amount delayed by the borrower with more than 31 days, as from the date of maturity under the loan agreement and/or the repayment schedule; **24.1.2.** Identifying false, inaccurate or incomplete information, data, confirmations, declarations, guarantees, certificates or other documents provided to the Creditor upon the conclusion and/or fulfillment of the loan agreement and/or the collateral agreements in significant deviation with respect to the employer, the income and the liabilities, the property, the marital status and the family members. To avoid any doubt, significant shall be any deviation exceeding 25% with regard to the declared income and property and 50% with regard to the declared liabilities. Deviations resulting from technical mistakes and omissions which are not the fault of the borrower/third-party debtor under the loan agreement/mortgagor/pledgor shall not be considered of such nature; **24.1.3.** Withdrawing the consent for automatic collection or direct debit or breach of the obligation to give consent for direct debit on bank accounts, including accounts opened after the date of the loan agreement, and/or breach of the obligation to seek and obtain consent by the Bank to perform the actions, acts and transactions which require it; **24.1.4.** In case, for any reason, any of the collateral/insurance policy agreements in favour of the Bank no longer grants a valid right of the Bank enforceable against third parties and is no longer sellable collateral in favour of the Bank, or if the market value of the provided collateral drops, the borrower under a full liability loan agreement fails to provide an additional collateral within the term specified by the Bank after receiving notice; **24.1.5.** Breach by the borrower and/or a mortgagor/pledgor in their capacity as owners of property, subject of collateral under the agreement, of their obligation to maintain the market value of the collateral provided in favour of the Bank in the amount as at the agreement date, to protect its integrity, to keep and take care of it, not to change the collateral ownership and not to establish real rights on it in favour of third parties other than the Bank, to comply with any of the contractual obligations under the collateral agreements and to take due care with a view to protecting the interest of the Bank as a secured creditor; **24.1.6.** Any breach of the commitment of the borrower/



the third-party debtors under the loan agreement as per Section IV for providing any required /additional collateral and any of the obligations to provide an insurance coverage in favour of the Bank on the basis of insurance policies in its favour pursuant to the provisions of Section V; **24.1.7.** Non-fulfillment of any of the requirements under the loan agreement, collateral agreements and the GTC. **24.1.8.** Occurrence of an event or circumstance that the Bank thinks has or is expected to have a material adverse effect. **25.** Apart from the cases stipulated in the law and the loan agreement, the Bank can accelerate its receivables under the loan agreement when the borrower is not repaying other loans to the Bank due to a significant deterioration of his/her financial standing, which rules out the possibility to repay the loan or leads to a decrease of the liquid value of the collateral by 15% compared to this value on the date of the loan agreement. **26.** The Bank shall collect its due receivables by exercising its rights to automatic collection of receivables pursuant to item 17 hereof, by exercising its right to offset its due receivables with the available funds on the accounts of the borrower and the third party debtors under the loan agreement; by accepting the GTC, the borrower and the third-party debtors grant their consent to this effect. **27.** The Bank proceeds with enforced recovery of its due receivables without court intervention in accordance with the legal procedures depending on the type of collateral or with court collection of its receivables and shall obtain a writ of execution against the borrower and/or the third-party debtors under the loan agreement. **28.** As far as the limited liability agreements are concerned, the Bank shall collect its receivables from the selling price of the provided collateral pursuant to the provisions of the Code of Civil Procedure or paid by the buyer approved by the Bank under the sale and purchase contract coordinated with the Bank in advance and certified by a notary.

**X. General provisions**

**29.** In case of any discrepancy between the provisions of the General Terms and Conditions and the loan agreement and/or the collateral agreement, the provisions of the respective agreement shall prevail. **30.** In case of any discrepancy between the provisions of the GTC and an imperative legal order, the effective act shall apply. **31.** The terms used in the loan agreement shall have the same meaning in the GTC.

The General Terms and Conditions were drawn up on the grounds of article 298 of the Commercial Act and article 58 of the Credit Institutions Act and were approved by means of a decision of the Management Board of UniCredit Bulbank AD under Minutes No.5 of 31.01.2024, entering into force as of 05.02.2024.

I, the undersigned ..... *(name as per the identity document)*, with Personal Number ....., hereby declare that I am familiar with the content of these General Terms and Conditions, which I received together with the loan agreement.

Signature: .....

I, the undersigned ..... *(name as per the identity document)*, with Personal Number ....., hereby declare that I am familiar with the content of these General Terms and Conditions, which I received together with the loan agreement.

Signature: .....

I, the undersigned ..... *(name as per the identity document)*, with Personal Number ....., hereby declare that I am familiar with the content of these General Terms and Conditions, which I received together with the loan agreement.

Signature: .....