

## General Terms and Conditions for Provision of Consumer Loans to Individuals by UniCredit Bulbank AD

These General Terms and Conditions (GTC) set forth the procedure and conditions under which UniCredit Bulbank AD (the Bank) provides consumer loans to borrowers – individuals, the conditions for drawdown, utilization, collateralization and repayment of these loans, as well as the conditions under which the loan agreements are concluded and have effect.

### TERMS

**1. Loan** is the full amount provided by the Bank on the grounds of a Loan Agreement (Agreement) for use in national or foreign currency, as well as the debt arising from and formed by and in connection with the utilized amounts from the principal, including due interests, fees, commissions and other costs as per the terms and conditions of the Contract and these GTC.

**2. Consumer loan** is the loan provided on the grounds of a concluded written Loan Agreement within the meaning of the Consumer Credit Act (CCA).

**3. Creditor** - the Bank providing the loan, represented by its legal representatives and/or their proxies;

**4. Borrower** - an individual with a legal capacity and competence to whom the Bank has provided a loan for valuable consideration and who utilizes, uses for a particular purpose and repays the loan within the terms and under the conditions provided for in the Agreement and in these GTC.

**5. Third party debtor** - a local legally capable and active individual or a legal person – party to the Agreement, which is a co-debtor, guarantor, third party debtor owner of property provided as a collateral under a loan – mortgagor, pledgor, etc.

**6. Total loan amount** is the maximum amount (limit) or the total amount provided under the Loan Agreement.

**7. Loan installment** - each installment used for repayment of the loan, its price (performing interest, commissions) and default interest (penalty).

**8. Annuity installments** are equal monthly repayment installments, each including the due performing interest as of the due payment date of the loan installment and the deductible amount from the loan principal as per the Repayment Schedule.

**9. Equal monthly principal installments** are the loan installments paid in equal monthly amounts for the principal and the separate installments for the performing interests whose amounts are set out in the Loan Agreement and the Repayment Schedule thereto.

**10. Loan cost** is the applicable annual individually agreed performing interest for the relevant interest accrual period accrued on the utilized and outstanding amounts under the loan, which is due and payable on the respective maturity date of the repayment schedule and shall be paid as follows: for the annuity installments with the annuity installment itself of whose amount it is part of, and for the loans with equal monthly installments for the principal as a separate loan installment along with the repayment principal installments.

**11. 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 Agreement and as of each subsequent interest accrual period.

**11.1.** Annual interest rate is formed by 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.

**11.2.** The amount of the Annual interest rate is determined and set out in the Loan Agreement as of the date of its conclusion and shall be changed automatically without the parties having to agree explicitly the validity period (increasing/decreasing) depending on the changes of the different components the Annual interest rate is comprised of.

**12. Reference Interest Rate** – Average deposit index (ADI), a base interest rate, announced by the Bulgarian National Bank (BNB), EURIBOR, LIBOR; another index and/or indicator, published by the Bulgarian National Bank and/or the National Statistical Institute or a combination of them replacing the aforesaid on the condition that their announcement is to be terminated.

**12.1.** The reference interest rate shall be defined in accordance with the currency and term of the loan by the mutual consent of the parties under the Loan Agreement itself and is defined in Section III, item 9.3. below.

**13. Annual percentage rate (APR)** - in percentage terms it is the individually agreed annual loan cost (interest, fees, commissions, insurance premiums) calculated according to the price costs as per the interest schedule as of the date of conclusion of the Loan Agreement.

**13.1.** During the validity of the Loan Agreement APR increases/decreases in proportion to the changes in the applicable reference interest rate in the Loan Agreement and the changes in the amount of the loan cost (commissions) directly

related to and as a result of the up-to-date assessment of the Borrower's creditworthiness and the credit risk level until the final repayment of the Creditor's receivables.

**14. Total loan costs** are all loan costs (interests, commissions, fees) and other costs directly related to the Loan Agreement payable by the user, including additional services costs related to the Loan Agreement and the collaterals under it, insuring of the risks related to their validity, analysis and assessment of the Borrower's creditworthiness and credit risk, the costs for defining the assessment and liquid value of the collateral and other costs during the term of validity of the Loan Agreement.

**14.1.** Total amount due and payable by the user is the sum total of the total loan amount and total loan costs payable by the user.

**15. Repayment schedule** is the allocation within the respective period of the Loan Agreement's validity of the due loan installments (annuity installments, principals, performing interests) depending on their amount, number, periodicity and the payment due date for each of them (maturity).

**15.1.** The information contained in the Repayment Schedule shall be valid only until the successive change of the value of the interest rate or of the additional expenses, pursuant to the Loan Agreement.

**15.2.** The Borrower is entitled at any moment during the validity of the Loan Agreement to receive a loan statement for free by way of a repayment schedule for the executed and future payments.

**16. Interest schedules** are periods within the period of validity of the Loan Agreement within which upon the conclusion of the agreement the parties agree to pay different loan prices (performing interests).

**17. Compensation for delay** with the legal effect of a penalty is the agreed default interest for delayed payments beyond the date of the agreed maturity date on each due and payable loan installment (annuity installment, for the principal, performing interest).

**17.1.** The 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 is in the amount of the statutory interest.

#### **18. Annual statutory interest amount**

**18.1.** The annual amount of the statutory interest rate for overdue payables is equal to the base interest rate of the Bulgarian National Bank effective from 1<sup>st</sup> January, respectively from 1<sup>st</sup> July, of the current year plus 10 percentage points.

**18.2.** The daily amount of the statutory interest rate for overdue payables is equal to 1/360<sup>th</sup> part of the annual amount determined in item 18.1.

**18.3.** The interest rate under item 18.1 effective from 1<sup>st</sup> January of the current year is applicable to the first half of the respective year, and the interest rate effective from 1<sup>st</sup> July is applicable to the second half of the year.

## **B. PURPOSES FINANCED WITH CONSUMER LOANS**

The Bank provides consumer loans for the following purposes:

- 1. For financing current needs** of the Borrower and his family including but not limited to: purchase of movable assets, training, health care, tourism, etc;
- 2. For refinancing of loans** with similar parameters provided to the Borrower by other banks.

## **I. CONDITIONS FOR PROVISION OF CONSUMER LOANS**

**1.** On the grounds of a decision taken by the bank's competent authorities in accordance with the Rules on lending activity the Bank can provide loans to Borrowers complying with the following conditions:

**1.1.** To have an open current account in the Bank;

**1.2.** To have permanent net monthly income in amount defined according to the assessment of the creditworthiness and the credit risk of the Borrower from:

**1.2.1.** Employment or office relations under termless labour contract/legal relations order, whereby the Borrower has at least 6 (six) months length of service in the company in which he/she has worked on the date of submission of the loan application, has not submitted notice of termination of the labour relation and has received regularly his/her employment remuneration;

**1.2.2** Work as a sole proprietor, freelancer, respectively, or activity ensuring stable income for at least 1 (one) year as of the date of submitting the loan application, in case the purpose of the loan is to satisfy personal needs of the person as a user within the meaning of the Personal Data Protection Act.

**1.3.** The monthly liabilities under the Loan shall not exceed the portion of the net amount of the monthly family income payable by the Borrower. The spouse of the Borrower shall be always a co-debtor under the Agreement.

**1.4.** The Borrowers shall have and dispose of his/her own funds (own participation) in the total amount necessary to finance the purpose of the loan in proportion to the percentage of own participation 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.

1.5. The aim of the requested loan does not contradict the law and the bank provisions.

1.6. Has submitted a written Loan Application (as per a sample of the Bank) to which at the various stages of its consideration information and documentation shall be provided in written in Bulgarian language according to the requirements of the Bank. Where some of the documents have been prepared in a foreign language a certified translation into the Bulgarian language is provided as per the statutory procedure.

2. The Bank provides consumer loans in national and foreign currency with term and in the amount as follows:

2.1. Maximum repayment term – up to 10 years. The term for repayment of each specific loan is determined according to its purpose, the conditions which the Borrower should meet, the chosen form of securing the loan according to the possibilities set out under the Consumer Credit Act and specified in the Agreement.

2.2. The minimum and the maximum amount are determined according to the purpose of the loan, the creditworthiness of the Borrower, the quality of the relations between the Bank and the Borrower and the type of the collateral under the loan, as during the whole term of validity of the Loan Agreement the Bank shall monitor the availability and observation of the requirements on the grounds of which the amount of the provided loan is determined.

3. The Bank shall assist Borrowers by notifying them of the regulations and its specific internal bank requirements in relation to the credit activity with a view to the loan purpose, their needs and credit resources, the credit products offered by the Bank, by providing the necessary clarifications regarding the credit product chosen by the Borrowers which is the most suitable for them.

3.1. The Bank provides to the Borrowers the data required according to Appendix No 2 under art. 5, par. 2 or Appendix No 3 under art. 8, par. 2 of the Consumer Credit Act as well as art. 5, par. 7 of the Consumer Credit Act.

3.2. The information provided under item 3 does not have the legal action and consequences of an offer and does not oblige the Bank to approve and agree the requested loan.

4. The Bank shall notify the Borrower about the decision taken in relation to the requested loan in accordance with the fulfillment of the requirements under Section I of these GTC and the results of the analysis of the creditworthiness of the Borrower.

4.1. The bank shall give notification within 30 working days. When the loan collateral is real pledge of receivables under accounts with the Bank, the notification shall be given within 14 days from receiving the required information regarding the decision about the requested loan duly verified by the respective documents.

4.2. In case additional information and documents were requested within the term provided for reply, the term under item 4.1. starts from their receipt in the Bank.

4.3. The Bank is not obliged to give grounds for the refusal to provide the loan unless in the cases when on the grounds of the check in the Central Credit Register or another database and pursuant to art. 18 of the Consumer Credit Act it shall notify the user about the check results and the consumer information in the register immediately and for free.

4.4. The period of validity of the decision on the loan application is 3 months. In case within this term the Borrower does not sign a Loan Agreement due to reasons which does not depend on the Bank, the term of the decision expires and a new application shall be submitted, new documents shall be presented and a new fee shall be paid for defining the credit risk level, related to the requested loan, pursuant to the analysis of the data collected for this purpose, including from the documents requested by the Bank and submitted by the applicant.

5. Based on the decision made for provision of a loan the Bank signs with the Borrower a Consumer Loan Agreement upon mutually acceptable, individually agreed conditions of equality in accordance with the provided pre-contractual information, observing the principles of confidentiality and not allowing conflict of interests.

## **II. CONDITIONS FOR UTILIZATION OF CONSUMER LOANS**

6. The Borrower's right to utilize amounts from the loan emerges after the signing of the Agreement by all parties thereto and upon fulfillment of the following conditions:

6.1. Fulfillment of all conditions for utilization under Item 9 of the Agreement;

6.2. Establishment of the contractual collaterals in the manner envisaged by the law and their entering in the respective registers.

6.3. Submission of certificates in the form required for each of the agreed collaterals, verifying the Bank's rights as a first-ranking mortgagee, as well as the lack of entered encumbrances, rights and claims by and in favour of third persons with regard to the subject of the collateral (for example pledges in favour of another creditor and other enforceable rights to third parties).

6.4. Payment of the fees and commissions determined on the grounds of and in the amount according to the Consumer Loan Agreement.

6.5. The Borrower has provided the insurances under Section V of these GTC.

6.6. Deposited written application for utilization of amounts from the Loan enclosed as an appendix to the Agreement.

7. The term for utilization is defined in the loan agreement. Where no such term has been explicitly specified, it is 3 months as of the date of the loan agreement.

7.1. In case that the collateral in favour of the Bank does not meet the requirements under item 6.3., the Bank does not permit drawdown from the loan until the collateral is brought into compliance with the requirements under the mentioned paragraph within no more than 3 months from the date of concluding the Loan Agreement. After the expiry of this term, the Loan Agreement shall be terminated as the paid amounts shall not be subject to refunding. In these cases the Bank does not bear responsibility and does not have to refund already made costs in relation to the establishment of the collateral.

7.2. Provided within the term for drawdown the Borrower does not draw its approved loan or draw only a portion of it, the obligation of the Bank to provide the undrawn amounts shall be terminated and settled and the commissions and charges paid by the Borrower shall not be subject to refunding.

8. The loan is maintained and accounted for in the books of the Bank by reporting all utilized and reimbursed amounts and shall be drawdown fully or partially through the current account of the Borrower, as stated in the Agreement. Depending on the specific case of the Agreement, other schemes for utilization may be agreed as well - through deposit under condition in favour of a third person (escrow account), documentary letter of credit, etc.

8.1. The Borrower shall certify the completion of the conditions that determine the emerging of the right to drawdown amounts from the loan with the respective certifying documents, presented in their original copies or in copies certified as "true to the original".

### III. INTERESTS AND COMMISSIONS

9. The specific amount of the due and payable performing interests and default interests shall be agreed individually and shall be defined and repaid according to the Agreement, the current repayment schedule as to date of their maturity and these GTC.

9.1. The utilized non-repaid portion of the loan (performing and/or overdue debt) for the period of the Agreement shall accrue a performing interest rate the amount of which is set for the relevant interest schedule period as an annual interest rate formed by 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.

9.2. The initial interest accrual period starts from the date of the first drawdown from the loan. Each following interest accrual period starts from the first business day of the following calendar period (month, quarter, etc.) as per the periodicity of the applicable reference interest rate.

9.3. The reference interest rate depending on the respective currency of the loan and the period of interest accrual shall be agreed and applied as follows:

9.3.1. For loans in BGN:

9.3.1.1. Average Deposit Index (ADI) calculated by the Bank based on the Interest Rate Statistics of the Bulgarian National Bank (BNB) presented in the table "Interest Rates and Volumes of Outstanding Amounts on Overnight Deposits, Time Deposits and Deposits Redeemable at Notice of Non-financial Corporations and Households Sectors" published on the website of the BNB and may be accessed at the following link: <http://www.bnb.bg/Statistics/StMonetaryInterestRate/StInterestRate/StIRInterestRate/index.htm#> (the Table). The ADI is calculated by the Bank as a weighted average interest rate on the aggregation of the deposits in Bulgarian leva of Non-financial Corporations and Households Sectors in the banking system in Bulgaria presented in the Table, received by weighting the values of the effective annual interest rates directly taken from the Table by the client categories and types of deposits in Bulgarian leva with their volumes for the respective month (<http://bnb.bg/Statistics/StMonetaryInterestRate/StInterestRate/StIRInterestRate/index.htm>).

The weighted average value is received as the sum total of the products of the effective annual rate (from the Table) and the volume for the respective client category and the type of the deposit for the same month (from the Table) is divided to the sum total of the volumes of all deposits in BGN for the same month (from the Table). Detailed information with examples for calculation of ADI is published on the webpage of the Bank (<https://www.unicreditbulbank.bg/bg/metodologiya-za-opredelyane-na-lihvenite-protsepti-po-kreditu>). The current value of the ADI is published on the webpage of the Bank (<https://www.unicreditbulbank.bg/bg/pazarni-lihveni-indeksi/>) in the first business day of each calendar month and shall apply from the first business day of the calendar month until the day preceding the first business day of the following calendar month inclusive.

**9.3.1.1a.** In the event that the BNB ceases the continuity of publishing the data from the Table and as a result of this the Bank is not able to calculate the reference interest rate applicable under a loan agreement, the Bank shall apply in compliance with the legal requirements a robust written plan approved by its Management Board and setting out the actions that would be taken in the event that a benchmark materially changes or ceases to be provided 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). As at the date of application of the plan as per the preceding sentence the new interest rate under the loan agreement cannot be higher than the amount of the interest rate under the loan agreement before that.

**9.3.1.2. The base interest rate (BIR)** of the Bulgarian National Bank (BNB) under the Bulgarian National Bank Act shall be applicable from the first business day for the period set by the BNB.

**9.3.2.<sup>1</sup>** Loans in foreign currency – one-month or three-month EURIBOR (for the loans denominated in EUR) or LIBOR (for the loans denominated in USD, British pounds, Swiss francs), equal to the index published on “EURIBOR=LIBOR=” page of REUTERS at 11.00 o'clock Central European Time two business days before the first business day of each calendar month or calendar quarter, applicable from the first business day of the calendar month or calendar quarter respectively until the day preceding the first business day of the following calendar month or calendar quarter inclusive;

**9.3.3.<sup>2</sup>** Depending on the way of utilization of the loan, as an reference interest rate in the cases of overdraft loan there shall apply ADI and the one-month EURIBOR or LIBOR, with frequency of the change at every first business day of the calendar month; with regard to the other types of mortgage loans with a repayment schedule - ADI or the three-month EURIBOR or LIBOR with frequency of change at every first business day of the calendar month or the calendar quarter, respectively.

**9.4.** When there are loans repaid by annuity installments, the annual interest rate under the loan shall change (increase/decrease) automatically depending on the change of the agreed applicable reference interest rate in the cases when the change exceeds 0.25 (zero point twenty-five) percentage points compared to the amount of the applicable reference interest rate effective as of the date of the change.

**9.5.** For loans repaid with equal monthly installments for the principal, the annual interest rate under the Loan is changed (increases/decreases) automatically by the amount of the announced change in the agreed and applicable according to its periodicity reference interest rate , which subsequently leads to change of the amount of the installments for the interest under the repayment schedule.

**9.5.1.** The Bank shall notify the Borrowers and the third indebted parties for each change in the reference interest rate according to the provisions of items 9.4 and 9.5 with the loan statement provided to them, in which the amount of the changed repayment installments is indicated as well. The notification shall be made as well by announcing the reference interest rate effective to the moment of the change on the website of the bank and at its teller's desks. The statement concerning the movement under the loan shall be sent to the latest address of the Borrower/s that is known to the bank, as per the request of the Borrower/s, as per the procedure, respectively, for delivering notifications specified in the agreements, or to the provided e-mail address, by fax, respectively.

**9.6.** The change becomes effective automatically, according to the provisions of item 9.3., on the date of the announcement of the new value of the reference interest rate , according to its periodicity upon preserving the fixed (non-floating) margin set forth in the Agreement and without need of concluding an additional agreement between the parties to that effect.

**9.6.1.** As of any time during the term of validity of the loan agreement, the Borrowers may obtain information about the specific amount of the applicable reference interest rate , which is published on the web page of Reuters on the respective date, as indicated under item 9.3., as well as announced at the teller's desks and on the website of the Bank.

**9.7.** With the change of the reference interest rate effective as of the respective period of interest accrual, the parties under the Agreement shall consider the interest conditions of the Loan automatically changed, where the new interest index shall replace the previous one upon preservation of the agreed margin. The interest conditions changed in this way shall be mandatory for the parties and shall bind them, without necessity of formal change of the Loan agreement for this purpose.

**9.7.1.** In case of disagreement with the changes under the Agreement, made pursuant to its terms and conditions and/or these GTC, the Borrower/s shall have the right to repay in full the utilized amounts and the due on them and according to the provisions of this Agreement interests, fees, commissions and charges and to terminate the Agreement prematurely as of the date of paying in full all due amounts to the Bank, without having to pay early repayment fee.

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<sup>1</sup> *business days for the Republic of Bulgaria*

<sup>2</sup> *business days for the Republic of Bulgaria*

**9.8.** Upon non-payment within the due term of an installment from the principal and/or the performing interest according to the Repayment Schedule for loans with equal monthly repayment installments, respectively - of an annuity installment for annuity loans, for the term of the delay, the default installment shall accrue default interest (penalty) which is equal to the statutory interest defined according to the currency of the loan under item 18 of these GTC.

**9.9.** The interests are accrued on the debt based on actual number of days from the month/360. The interest for performing debt shall be paid monthly or in accordance to their periodicity and on the maturity date set out in the repayment schedule and the default interest shall be accrued for every day of the delay and shall be immediately due and payable.

**10.** The specific amount of the due fees and commissions under the loan as well as the way of their repayment is determined according to the Loan Agreement and the effective GTC, unless agreed otherwise in the legislation.

**10.1.** The fees shall be defined and specified under the Loan Agreement and the subsequent annexes.

**10.2.** The application for early repayment becomes legally effective together with its terminating consequences with regard to the early repaid amount as from the time of its depositing for the purpose of full or partial repayment of the liabilities under the loan agreement. In the case of partial repayment the Borrower shall have the right to reduce the total costs for the loan and this reduction shall concern the interest and the costs for the remaining part of the agreement term.

**10.3.** All explicitly envisaged in the loan agreement as due by the Borrower fees, commissions, and other administrative and legal costs, including notary fees, as well as all costs other than the management costs incurred by the Bank for the account of the Borrower pursuant to the law and/or the agreement, for the payment of used additional services in connection with the concluding, fulfillment, collection of the receivables of the Bank and the final repayment of the due amounts under the Agreement, incl. but not limited to expert appraisals, consultations, registration, amendment, renewal and deregistration of the collateral, undertaking of enforcement actions arising from a court decision, obtaining of a writ of execution, commencement of enforcement proceedings, hiring of the related experts and defence lawyers shall be for the account of the Borrower within the amount stipulated by the law. In case of early claim or termination of the Agreement, they shall remain due until their full repayment, including as per the procedure for enforcement, along with the consequences stipulated in the law.

**10.4.** For the account of the Borrower shall be accrued also all costs paid by the Bank, in the course of the proceedings for enforced collection of its receivables under a loan which has not been repaid voluntarily.

**10.5.** The costs stipulated in item 10.4, including but not limited to those for legal protection, the protection, the management and the liquidation of the property of the debtor and/or the collateral and other necessary and paid amounts for administrative costs shall be due and shall be paid by the Borrower and the third party debtors, to the extent stipulated by the law in accordance with the distribution of liability.

#### **IV. COLLATERAL**

**11.** Upon providing loans the Bank shall accept, pursuant to the form required by the legislation, against their validity, personal collaterals, as well as liquid (salable) properties (movable assets and/or receivables), which value, discounted according to the rules is not less than the total amount of the loan. In case that the discounted value of the collateral is less than this of the requested loan, the Bank shall agree and provide a loan in the amount of the discounted value of the collateral.

**12.** The Bank accepts the following types of collaterals, the list being not exhaustive:

**12.1.** Real pledge as per the Law on Obligations and Contracts of receivable of the Borrower and/or a third natural party on a bank account in national and foreign currency of which he/she is a holder, opened with the Bank or with another Bank, or a receivable under a contract on which any of them is a Creditor party, including an employment or service contract.

**12.2.** Registered pledge as per the Registered Pledges Act of movable assets of the Borrower and/or a third party, when this is permitted by the law. In case of pledge of securities the same shall be kept under a sub-account with the Bank.

**12.3.** Other collaterals permitted by the law.

**13.** In order to ensure the repayment of the Loan, having been provided pursuant to the Agreement, the Bank may request as well:

**13.1.** The participation as a party of the Agreement of a Co-debtor – a person, who based on Art. 101 and under the provisions of Art. 121-127 of the Law on Contracts and Obligations, assumes and is jointly responsible with the Borrower for fulfillment of his obligations for repayment of the Loan, since the time of the emerging of these liabilities until their full repayment pursuant to the Agreement and the effective GTC.

**13.2.** The spouse of the Borrower shall be always a co-debtor under the Agreement.

**13.3.** The participation as a party of the Agreement of a Guarantor – preliminary approved by the Bank person, who under the provisions of Art. 138-148 of the Law on Contracts and Obligations is jointly responsible with the Borrower for the fulfillment of its obligations for repayment of the Loan, from the time of the emerging of these obligations until their full repayment pursuant to the Agreement and the effective GTC. Upon non-fulfillment of the obligations under the Agreement by the Borrower, the Guarantor shall commit himself to pay-in the outstanding amounts under the Loan upon the first invitation by the Bank. The full repayment of the Loan settles the responsibility of the Guarantor, as well. Upon partial repayment the responsibility of the Guarantor is reduced down to the reduced amount of the Loan.

**14.** Provided the collaterals accepted and stated in the Agreement are not established and/or any due and payable amounts from the loan are not paid in accordance with the requirements of these GTC and the Loan Agreement, this shall be a reason for early claim of the loan, and when the same has not been fully utilized – grounds for the Bank to refuse to provide the non-utilized portion of the Loan.

**15.** Whereas due to change in the prices, change in the FOREX or due to other circumstances, the value of the property, being subject of the collateral is reduced and the Bank considers it insufficient to guarantee its receivables under the Loan, the Borrower directly and/or the third party debtors, upon first invitation shall reduce the liability under the Agreement or provide an additional collateral in the type, amount and term specified by the Bank, in the form required by the law and under the conditions of the specific Agreement for collateral. In these cases the Borrowers under Loan Agreements with limited liability of the Borrower reduce the amount of the loan by its repayment up to the market value of the provided collateral.

## **V. INSURANCES**

**16.** The Borrower concludes for its account or ensures the conclusion and maintaining for the entire term of the Agreement an insurance of all risks being subject to insurance with regard to its life and health and the properties having been accepted as collaterals, whereby the total amount of the insurance indemnities shall be not less than 100 % (where possible) of the amount of the loan and the Bank shall be stated as a third party-beneficiary – the only beneficiary of the insurance indemnities. The insurance risks and the insurer shall be reconciled in advance with the Bank.

**17.** Upon occurrence of an insuring event the Insured or his/her heirs, the owner of the insured property - the Borrower and/or the third parties debtors, respectively shall undertake within the due term all necessary actions that shall be requested from the Insurer and shall provide the documents based on which the Bank shall receive the insurance indemnities under the insurance policies. Up to a month prior to the expiry of the effectiveness of each insurance policy the Borrower shall ensure the provision of a new policy under the same terms and conditions.

**17.1.** Upon full or partial early repayment of the loan through payment of insurance indemnity no early repayment fee shall be paid.

**18.** For loans that are provided to persons with permanent residence in the country, the Borrower concludes or ensures the conclusion and maintains for the entire period of validity of the Loan Agreement Life Insurance, under which the Bank is defined as a third party-beneficiary – the only beneficiary of the insurance indemnities, where the Bank shall satisfy itself from the insurance indemnities up to the amount of the debt under the loan. . The insurance must cover at least the risks death caused by an accident or illness; long-term or permanent loss of working capacity above 70% as a result of an accident or illness; temporary lack of working capacity as a result of an accident or illness.

**18.1.** In relation to the fulfillment of the requirement under items 17 and 18 the Bank may propose to the Borrower Credit Protection Insurance, covering the above risks, as well as unemployment as a result of dismissal pursuant to the Labour Code.

## **VI. CONDITIONS FOR REPAYMENT OF LOANS**

**19.** The loan shall be repaid monthly after the expiry of the grace period, in case such has been agreed, by installments under the principal or annuity installments.

**19.1.** The specific type, amount and terms for repayment of the annuity/ repayment installments under the Loan and the performing interests are determined under a Repayment Schedule to the Agreement.

**19.2.** When the maturity of the installment is on a non-business day, it shall be due on the first following business day.

**20.** The Loan shall be repaid in the currency, in which it has been disbursed. In case of repayment with amounts in currency different 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 to the date of the operation.

**21.** In case of early repayment (partial or full) of the liability under the Agreement, the Customer shall not be obliged to pay an early repayment commission.

**21.1.** Unless agreed otherwise, when the amount received in the Bank is insufficient for repayment of the whole installment under the Loan, first the due commissions are repaid when such are due, then the default interests, then the due and payable performing interests, the portion of the interests from the annuity installment, and with the remaining portion – the repayment installment under the principal, the portion from the principal from the annuity installment, respectively.

**21.2.** Upon early repayment of a portion of the loan the parties under the Agreement agree a change in the Repayment schedule through:

**21.2.1.** change in the installment amount;

or

**21.2.2.** change of the loan repayment period.

**22.** The Borrower provides on his/her accounts the necessary amounts for repayment of the due and payable amounts under the loan.

**22.1.** In case of change of the annual interest rate under the loan in accordance with the announced changes in the reference interest rate, applicable to the specific Loan Agreement, as a result of a change in the agreed interest rates by mutual consent of the parties, respectively, upon fulfillment of the terms and conditions of items 9.4. and 9.5., respectively, the bank shall change the repayment installments under the repayment schedule and shall notify the customer of this by sending him/her the loan statement to the e-mail address provided by him/her or to the mailing address, indicating the amount of the changed repayment installments after the entry into force of the interest rate applicable according to the change.

Upon change of the annual interest rate arising out of a change in a specific reference interest rate and where the new reference interest rate is announced in public by use of suitable tools and the information for the reference interest rate and its components may be found in the branches of the Bank, the information under art. 22.1. shall be periodically provided to the Borrower.

**23.** The Borrower and the respective third parties debtors shall submit to the Bank a written consent for automatic collection of its receivables (consent for direct debiting) in the meaning of BNB Ordinance No 3 on the Terms and Procedure for Opening Payment Accounts, for Execution of Payment Transactions and Use of Payment Instruments on the grounds of which the Bank unilaterally collects on the maturity date or after it the payable amounts under the loan from each account in national and foreign currency pursuant to the terms and conditions for the maintenance of the respective account. In case the account/s is/are a deposit account/s, the Bank is entitled to breach the deposit term or the deposit itself, notifying of this the account holder beforehand, with all the subsequent consequences in compliance with the terms and conditions of the deposit.

## **VII. RIGHTS AND OBLIGATIONS OF THE BANK**

**24.** While managing the loans the Bank shall:

**24.1.** According to the data in its books, submit upon request by the Borrower and free-of-charge information to the Borrower about the drawdown, utilization and repayment of the Loan. The information is provided through regular loan statements in the form of a repayment schedule for the performed and the future payments under the loan by the way and to the address, specifically indicated by the Borrower, to which it wants to receive statements, namely according to the preference of the Borrower - to the e-mail / fax address, to the deposit box of the Borrower with the Bank, stated in the loan application or in the application for receiving loan statements.

**24.1.1.** Upon established errors in the data the Borrower shall immediately notify the Bank. Raising no objection by the Borrower against the data in the statement within a 14-day term from the date of its submission in the way established above, confirms the consent of the Borrower with it.

**24.2.** To submit references for the Loan only to the Borrower, the persons authorized by him/her by means of a notary legalized power of attorney, to the third parties debtors, as well as to any authorities and persons, as per the provisioned by the legislation. The Bank may provide references to its related persons, as well – companies, belonging to UniCredit Group, as well as to its counterparties, for which the Borrower shall provide his/her explicit consent by signing the Agreement.

**24.3.** All letters, documents, letters before action, sent by the Bank by registered mail and all information in relation to the drawdown, utilization and repayment of the loan, the amounts due and payable under it, including fees and commissions to the address indicated by the Borrower /co-debtors/guarantors, which return to the bank as undelivered or unclaimed, including because the respective addressee has changed his/her mailing address without notifying the Bank in writing, shall be considered duly delivered as of the date of their sending and shall be enclosed to their credit file.



**24.4.** Shall account for the drawdown, utilization and repayment of the loan in its books, as per the procedure, stipulated by the legislation.

**24.5.** Shall provide its explicit consent in the form provisioned by the legislation for cancellation of the collaterals entered in its favor after the final full repayment of the Loan and upon receipt of a written request by the Borrower. The expenses are at the account of the Borrower.

**25.** Upon ascertained violations of these GTC, the Loan Agreement and the collateral contracts by the Borrower and/or any of the third parties debtors or upon significant change in the circumstances which have served as grounds for provision of the loan, without which the Bank would not have provided the loan and in case that after a written invitation by the Bank they do not take the necessary steps within ten days for settlement of the ascertained violations and/or inconsistencies, the Bank may:

**25.1.** Temporarily suspend or not approve further drawdown of amounts under the Loan;

**25.2.** Claim the loan or a part of the loan immediately due and payable as per the terms and conditions and the respective consequences under Section IX; In any case interests for future periods – performing or compensatory – shall not be due.

**25.3.** It shall undertake other legal activities for protection of its interests as a Creditor, considering the particular case.

**25.4.** Deduct each amount due and payable by it in favor of the Borrower, including before its maturity, against any of the receivables of the Bank from the Borrower, pursuant to any of his/her Agreements with it, regardless of the currency of the payment, applying the exchange rate for bills payable in foreign currency of the Bank at the day of the operation.

**25.5.** The Bank has right at its discretion to transfer its receivables (within the meaning of art. 99 and seq. of Obligations and Contracts Act (OCA)) from the Borrower and the third parties debtors in favour of a third party defined by it, without being necessary to notify of this the Borrower and the third party debtors.

**25.6.** The Bank has the right to request from the Borrowers to provide additional collateral in the cases when the market value of the provided collaterals drops down below the amount of the utilized and non-repaid loan. The rejection of the Borrower to provide the requested collateral expresses its consent for the Bank to announce the loan and the interests and commissions payable under it early due and payable in full and to initiate enforcement procedure through the Court.

## **VIII. RIGHTS AND OBLIGATIONS OF THE BORROWER**

**26.** Since the time of submission of the Loan Application until the full repayment of the loan and all his/her other obligations under this Agreement, the Borrower or the third parties debtors shall be obliged to:

**26.1.** Keep their solvency, creditworthiness and the credit risk level under the Agreement at the level not lower than the existing and/or the defined as at the date of the approval of the loan.

**26.2.** To exercise the due care for the collateral in compliance with the law in such way that not to reduce its market value in comparison to this as at the date of the Loan Agreement and to maintain it equal to the real debt and the receivables of the Bank as at any date of validity of the Agreement.

**26.3.** To fulfill their obligations under the agreements which are sources of income for servicing the debt and not to allow their terminating, unless upon emerging of relations under other agreements, providing the needed income for paying the receivables of the Bank;

**26.4.** The loan shall be used only for the purpose specified in the agreement and repaid according to the repayment schedule and the provisions of the agreement. No amounts of the loan shall be used 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 other capital instruments issued by the Creditor or another bank or company within UniCredit Group. For the purposes of these GTC and every agreement “UniCredit Group” means UniCredit S.p.A. and any companies controlled (directly or indirectly) by UniCredit S.p.A., the meaning of “control” being defined in the Credit Institutions Act;

**26.5.** To ensure the fulfillment of the commitments under Item 15. from Section IV and Item 22 from Section VI of these GTC.

**26.6.** To service their liabilities accurately and within the due time and not to allow indebtedness, which to prevent them from fulfilling their liabilities on the Agreement in order not to allow with an action or omission the occurrence of any of the circumstances under items 29, 30 and the seq.

**27.** The Borrower and/or the third party debtors:

**27.1.** Shall provide to the Bank duly verified by the competent person or authority truthful and updated information about the sources of their income and their amount, their financial condition, their real rights on the provided collateral, its condition and appraisal, including, but not only about: a) opened accounts and loans being used from other Banks; b) their relatedness, signing a declaration on economic relatedness as per a sample of the Bank, as well as all various

required documentation for the purposes of the Bank control; c) cost-proving documents for the purposeful utilization of the loan; d) maintaining, accounting and keeping of the collateral.

**27.2.** Shall inform the Bank immediately for:

**27.2.1.** Any change in the data and the information provided to the Bank.

**27.2.2.** The initiation of claims, protective proceedings, administrative proceedings, as well as about any sentences or constituent decisions against the Borrower and the third parties debtors in relation to the collateral.

**27.2.3.** Received letters before action by its Creditors and by competent authorities in relation to initiated executory proceedings, as well as for imposed protective measures under claims, administrative proceedings or executory proceedings, incl. against the collateral and/or such, which prevent the servicing of the loan.

**27.3.** Shall pay on time all his/her public liabilities (taxes, fees) and all other liabilities.

**27.4.** With the acceptance of these GTC by their signing on each page by each of the parties under the Loan Agreement, which form an integral part of the content of the agreement, the Borrower and the third parties debtors provide their explicit consent for the Creditor to transfer/provide its receivables against them in favour of third parties designated by it.

**27.5.** To provide on their accounts in the Bank the needed amounts for payment of:

**27.5.1.** The insurance premiums and the prolongation of the validity of the insurances, on which the Bank is the third party-beneficiary;

**27.5.2.** Renewal of the validity of the registration of the collaterals on the loan before the expiry of its legally established term;

**27.5.3.** The Borrower and the third party debtors shall be obliged until the full repayment of the receivables of the Bank under the loan to provide in the form requested by the legislation all needed documents to ensure the maintenance and renewal, the validity and effectiveness of the insurances and collaterals, including those needed for the execution of the required activities, actions and making the needed entries in the respective registers, within a term not shorter than 4 months before the expiry of the term of effectiveness of the registration.

**28.** Until the full repayment of the Loan the Borrower and the third party debtors shall agree without prior written consent of the Bank not to transfer their property, encumber with burdens, establish any rights in favour of third persons or change the location of any property, subject to the collateralization of the Agreement.

**28.1.** In addition to the other provisions of the Agreement, which envisage compensations for any additional expenses and payments made or incurred by the Bank in relation to activities, caused by the improper and incorrect performance of the Borrower under the Agreement, the Borrower shall be obliged within 3 (three) business days to reimburse to the bank, to compensate it, respectively for the damages suffered by it, for which it undertakes the liability to pay to it penalty in the amount of every expense and payment made or incurred by the Bank according to the cost-proving documents as a result of:

**28.1.1.** Untrue or misleading information provided or confirmed by the Borrower or on behalf of a person, being obliged to provide it.

**28.2.** Investigation, lawsuit or any other proceedings of whatever nature in relation to the Borrower or any liable person under this Agreement on the loan and/or the income for its servicing and/or the existence, validity of the collateral and the first rank of the rights of the Bank on it.

**28.3.** The Borrower and the third parties debtors under the conditions of joint liability shall be obliged to undertake and pay for their own account, to compensate the Bank, respectively, for all expenses that it has paid for taxes, fees, charges, expert opinions, lawyer fees and other administrative expenses, payable or paid in accordance with the conclusion, signing, the notary certification, the registration of the collateral in the respective registers and its assessment.

**28.4.** The Borrower and the third parties debtors shall be jointly liable and shall pay immediately to the Bank all expenses that have emerged from any activities related to enforcement proceedings or defense of the rights of the Bank as a result of the non fulfillment of the liabilities under the Loan Agreement and the Collaterals Contracts.

## **IX. EARLY CLAIM ON THE LOAN AND ENFORCEMENT**

**29.** The loan may be declared partially or fully immediately due and payable on the grounds envisaged under the Agreement, these General Terms and Conditions and the legislation, including upon default of any due installment under the loan (annuity installment, under the principal, under the performing and default interests, fees, commissions).

**29.1.** The Bank shall declare its receivables under the loan fully or partially immediately due and payable and shall notify the Borrower of its initiating of enforcement of its receivables in accordance with the procedure envisaged under the Agreement and pursuant to legislation on the mailing addresses, chosen and indicated by him/her in the loan application or in the Loan agreement and the appendices thereto.

**29.2.** In case of declaring the receivables of the Bank under the loan partially or fully due and payable, the liability of the Bank for providing any outstanding amounts from the loan shall be terminated and settled and it shall proceed to immediate collection of its receivables, declared early due and payable, including by obtaining an order for immediate enforcement and a writ of execution as per an excerpt from its Books.

**30.** The Bank shall declare the loan early due and payable partially or fully and shall proceed to enforcement of its receivables under it upon occurrence of any of the following reasons, each of which is significant non-fulfillment of the obligations of the Borrower under the Loan Agreement, as follows:

**30.1.** The occurrence of any of the following events shall be considered an event of significant non-performance, constituting grounds and providing rights to the Bank to declare the loan early due and payable ("Event of significant non-performance"):

**30.2.** Delay for payment by more than 31 days as from the maturity date under the Loan Agreement and/or according to the Repayment Schedule by the Borrower of the installment in the full agreed amount;

**30.3.** Ascertaining of untrue, incorrect or incomplete information, data, confirmations, declarations, warranties, certificates or other documents, provided by the Borrower/Collateral Provider to the Creditor upon the conclusion and/or fulfillment of this Agreement and/or the Collateral Contracts which represent a significant deviation with regard to the employer, the income and the liabilities, the property, the marital status and the family members. For the avoidance of doubt, significant shall be any deviation exceeding 25% with regard to the declared income and property and 50% with regard to the declared liabilities. Any deviations resulting from technical errors and omissions which are not attributable to the Borrower shall not be considered as having such nature.

**30.4.** Withdrawal of the consent for automatic collection or direct debiting or non-fulfillment of the obligation for providing consent for direct debiting from bank accounts, including such opened after the date of the Agreement and/or non-fulfillment of the obligation for requesting and receiving consent on behalf of the Bank for fulfillment of the activities, actions and deals for which such consent is required.

**30.5.** In case that due to any reason any of the Collateral Contracts/Insurance policies in favour of the Creditor ceased to establish valid right to the Bank, enforceable to third persons and the collateral being subject of it in favour of the Bank is not in good condition or in case the market value of the provided collateral decreases and after an invitation the Borrower has not provided additional collateral within the term provided to him/her by the Bank;

**30.6.** Failure on behalf of the Borrower and/or the third parties debtors in their capacity as owners of property, being subject of collateral under the loan to fulfill their liabilities for maintaining the market value of the collateral provided in favour of the Bank in the amount and as to the date of the Agreement, preserving its integrity, keeping and maintaining it, not changing the ownership of the collateral and not establishing real rights on it in favour of persons, different from the Bank, not breaching any of their liabilities under the Collateral Contracts or exerting the necessary efforts for protection of the interests of the Bank as secured Creditor.

**30.7.** Decreasing the market value of the collateral below this of the real debt under the loans of the Borrowers with limited liability.

**30.8.** Non-fulfillment of the Borrower's commitment under item 15 from Section IV for provision of required/additional collateral and any of the obligations for provision of insurance coverage in favour of the Bank based on delivered in its favour insurance policies pursuant to the provisions of Section V from these GTC.

**30.9.** Breach of any of the obligations under the loan agreement, collateral contracts and these GTC.

**30.10.** Apart from the cases stipulated in the law and the Agreement, the Bank can claim the receivables under the Agreement early due and payable when the Borrower does not repay other loans to the Bank due to significant deterioration of his/her financial condition, which rules out the possibility to repay the loan or leads to a decrease in the liquid value of the collateral by 15% compared to its value as of the date of the Agreement.

**31.** The Bank collects its due receivables by exercising its rights to automatic collection of receivables pursuant to Item 23 of these GTC by offsetting its due receivables with the available funds on the accounts of the Borrower and third party debtors with which the Borrower and third party debtors agree by accepting these terms and conditions.

**32.** The Bank shall proceed to enforcement of its due and payable receivables, without court intervention as per the legal order, according to the type of the collateral or shall proceed to satisfaction of its receivables through the court, obtaining a writ of execution against the Borrower and/or the third parties debtors.

33. In case of default under Item 30 of these GTC and where the receivables for available and future proceeds (the balance) under the attached account have been pledged in favour of the Bank, at the time of sending the order, as of the date preceding the attachment, the Bank's receivables under the Loan Agreement are made automatically due and payable up to the amount of the available balance as of the date preceding the attachment imposed in favour of the Bank which are offset and repaid, as the Bank does not have to make any other statements.

34. The Bank offsets the due portion from its receivables under the Loan Agreement with its obligation for the balances on the accounts of the Borrower and/or co-debtors with it, unless it has satisfied itself or has reached an agreement with the Borrower and the third party debtors respectively for settling and/or collateralizing and/or repaying its receivables in a way specified otherwise in the agreement or the law.

## X. GENERAL PROVISIONS

35. In case of any discrepancy between the provisions of these General Terms and Conditions and the Loan Agreement and/or the collateral contract, the provisions of the respective agreement shall prevail.

36. In case of any discrepancy between the provisions of the current GTC and the imperative legal order, the effective legislation shall apply.

37. The terms used in this Agreement shall have the same meaning in these GTC.

38. All required documents enclosed with the loan application at the various stages of its review are integral parts of these GTC.

39. These GTC shall be an integral part of each loan agreement concluded by the Bank.

These GTC were drawn up on the grounds of art. 298 of the Commercial Act and art. 58 of the Law on the Lending Institutions and were approved by a decision of the Management Board of UniCredit Bulbank AD under Minutes No. 42 from 18th September 2019, entering into force as of September 25<sup>th</sup> 2019.

The undersigned .....  
(name as per the identity document) with Personal Number ....., in my capacity as..... (Borrower, co-Borrower, co-debtor, guarantor, etc.), I hereby declare that I am familiar with the contents and that I have received at the same time with the Contract a copy of the General Terms and Conditions.

Signature: .....

The undersigned .....  
(name as per the identity document) with Personal Number ....., in my capacity as..... (Borrower, co-Borrower, co-debtor, guarantor, etc.), I hereby declare that I am familiar with the contents and that I have received at the same time with the Contract a copy of the General Terms and Conditions.

Signature: .....

The undersigned .....  
(name as per the identity document) with Personal Number ....., in my capacity as..... (Borrower, co-Borrower, co-debtor, guarantor, etc.), I hereby declare that I am familiar with the contents and that I have received at the same time with the Contract a copy of the General Terms and Conditions.

Signature: .....