

**ERSTE BANK A.D. NOVI SAD**

**BOARD DIRECTORS**

**Number: 1550/2021-60/20**

**Date: 18.02.2021.**

## **GENERAL TERMS AND CONDITIONS OF PAYMENT SERVICES TO ENTREPRENEURS**

### **I. INTRODUCTORY PROVISIONS**

The General Terms and Conditions of Payment Service Execution (hereinafter: General Terms) for payment service users - entrepreneurs (hereinafter: User), Erste Bank a.d. Novi Sad (hereinafter Bank) shall, as the payment service provider set out the mutual rights and obligations relating to payment service execution in accordance with the Law on Payment Services (Official Gazette no. 139/ 2014 and 139/2014) and the accompanying by-laws.

Basic Data on the Bank:

Corporate name: ERSTE BANK A.D. NOVI SAD;

Head office: Bulevar oslobođenja 5, 21000 Novi Sad

TIN: 101626723;

REG. NO.: 08063818;

Giro account: 908-0000000034001-19;

Internet page [www.erstebank.rs](http://www.erstebank.rs);

e-mail address: [info@erstebank.rs](mailto:info@erstebank.rs)

Telephone for users: 080 0201 201

+38166/89 69 000

The operation license was issued by the National Bank of Yugoslavia under decision O no. 202 of 20 December 1989 The competent authority supervising the Bank operation shall be the National Bank of Serbia, Nemanjina 17.

### **II TERMS**

- 1) payment transaction means an act, initiated by the payer or by the payee, of placing, transferring or withdrawing funds, irrespective of any underlying obligations between the payer and the payee;
- 2) payment order means any instruction by a payer or payee to its payment service provider requesting the execution of a payment transaction;
- 3) e-payment order means electronic message containing instruction which is electronically generated, sent, verified, processed, and stored;

- 4) current account is payment account maintained with the Bank, used for executing payment transactions and for other purposes relating to services provided by banks to payment service users.
- 5) payment account means account used for executing payment transactions, maintained by payment service provider for one or several payment service users; Payment account may be current account or other payment account;
- 6) payment instrument means any personalised device and/or a set of procedures agreed between the payment service user and the payment service provider and used by the payment service user in order to issue a payment order;
- 7) payment service user means a natural or legal person that uses or used a payment service in the capacity of a payer and/or payee or has addressed the payment service provider in order to make use of such services;
- 8) payer means a natural or legal person that issues a payment order from the payment account or gives consent to execute a payment transaction based on the payment order issued by a payee, or, if there is no payment account, a natural or legal person that issues a payment order;
- 9) payee means a natural or legal person designated as the recipient of funds subject to a payment transaction;
- 10) user (consumer) means a private individual entering into payment service agreement or agreement relating to electronic money for the purposes not intended for its business or other commercial activity;
- 11) entrepreneur means a natural person other than a consumer, that is, a natural person with legal capacity that pursues a business activity with a view to obtaining revenue, in accordance with the law governing companies and other law;
- 12) funds means cash, scriptural money and electronic money;
- 13) cash means banknotes and coins;
- 14) electronic money means electronically (including magnetically) stored monetary value as represented by a claim on the issuer which is issued on receipt of funds for the purpose of execution of payment transactions which is accepted by a natural or legal person other than the electronic money issuer;
- 15) electronic money holder means a natural or legal person to whom electronic money has been or is being issued, and/or a natural or legal person that has addressed the issuer for the purpose of issuing the money, as well as any other natural or legal person having a claim referred in item 14);
- 16) business day means a day, namely part of the day in which the relevant payment service provider of the payer or of the payee involved in the execution of a payment transaction is open for business as required for the execution of a payment transaction to its payment service user;
- 17) credit transfer means a payment service where the payer instructs the payment service provider to initiate the execution of one or more payment transactions, including the issuing of a standing order;
- 18) credit instant transfer is a domestic payment transaction in RSD which may be initiated by a payer at any time of day, every day in year, and the transfer is executed instantly or almost instantly through the National Bank of Serbia IPS payment system.
- 19) NBS IPS system means a system which enables the payment service providers to execute single instant credit transfers (instant payments) 24 hours a day, seven days in week, 365 days in year (24/7/365) almost instantly, i.e. within only a few seconds.
- 20) direct debit means a payment service where a payee, based on the payer's consent, initiates a payment transaction to debit the payer's payment account. The payer may give such consent to the payee, its payment service provider or payee's payment service provider.
- 21) standing order means an instruction given by the payer to the payment service provider which holds the payer's payment account to execute credit transfers at regular intervals or on predetermined dates;
- 22) value date means a reference date, that is, reference time used by a payment service provider for the calculation of interest on funds debited from or credited to a payment account;
- 23) reference exchange rate means the exchange rate which is used as the basis to calculate any currency exchange and which is made available by the payment service provider or comes from a publicly available source;
- 24) reference interest rate means the interest rate which is used as the basis for calculating interest and which is publicly available, and is determined independently of the unilateral will of the payment service provider and user which have entered into a payment service contract;

- 25) unique identifier means a combination of letters, numbers and/or symbols specified to the payment service user by the payment service provider to be used in a payment transaction to identify unambiguously the respective payment service user and/or its payment account;
- 26) means of distance communication refers to any means which, without the simultaneous physical presence of the payment service provider and the payment service user, may be used for the conclusion of a payment service contract;
- 27) durable medium means any instrument which enables the payment service user to store data addressed personally to it in a way accessible for future reference for a period of time adequate to the purposes of the data and which allows for the unchanged reproduction of the data stored;
- 28) domestic payment transaction means a payment transaction in which the payer's payment service provider and payee's payment service provider provide the service within the territory of the Republic of Serbia;
- 29) payment account change means a service provided by the payment service provider to the User, in accordance with the Law on Payment Services

### **III. PAYMENT SERVICES**

The Bank shall execute the following payment services:

- 1) services of account opening and maintaining and closing
- 2) services ensuring incoming payment of cash on payment account, services necessary for such account opening, maintaining, and closing;
- 3) services ensuring outgoing payment of cash on payment account, as well as any services necessary for such account opening, maintaining, and closing;
- 4) fund transfers from/to a payment account, in one of the following ways:

(1) credit transfers,

(2) direct debit, including one-off direct debit,

(3) using a payment card or similar means;

- 5) 5) execution of payment transactions where funds are covered by a credit line for a payment service user, in one of the following ways:

(1) credit transfers,

(2) direct debit, including one-off direct debit,

(3) using a payment card or similar means;

- 6) issuing and/or acquiring of payment instruments where the payment service provider enables to the payee the execution of payment transactions initiated by the payer by using a specific payment instrument;

### **ACCOUNT OPENING AND MAINTAINING**

The Bank shall open current and other payment accounts - escrow accounts, a vista deposit accounts, etc. The Bank shall open account based on filled-in Account Opening Application, Statement on Ownership, and the documentation from the List of Necessary Documentation for Account Opening, as well as other documentation for which the conclusion is made by the Bank in the process of documentation collection that is necessary for the identification of the User and User's beneficial owner.

When establishing business relation, the Bank shall identify the User examining his applicable status documentation, provided for in the List of Necessary Documentation which shall be an integral part of Account Opening Application.

Account opening applicant shall allow the Bank to verify and further process all of the data listed in the Application in accordance with the Law on Personal Data Protection, as well as to, upon account opening, forward his personal data to the Account Register maintained by the NBS which shall be public.

In addition to the data referred to in the above paragraph, the Bank may also request other data from the User. In the event the User fails to provide the data which would enable the Bank to implement analysis of the User in accordance with the provisions of the Law on the Prevention of Money Laundering and Terrorism Finance, the Bank will not establish business relation or execute a transaction, i.e. it will terminate already existing business relation.

Documentation provided by a client to the Bank in a foreign language will, upon the request by the Bank, be provided in certified translation into the Serbian language. Documentation shall be provided in writing (original, copy, or certified copy) according to the specification from the List of Necessary Documentation received upon request together with Account Opening Application and it may be overtaken at all of the Bank sales units as well as in the Bank Internet presentation.

In the event the User fails to provide the data which would enable the Bank to implement analysis the of User in accordance with the provisions of the Law on the Prevention of Money Laundering and Terrorism Finance, the Bank will not establish business relation, i.e. it will terminate already existing business relation.

The Bank shall reserve the right to reject Application without any obligation to explain its decision to the Applicant.

When opening current account, the Bank shall provide the User with data on the number of account serving as unique identification sign of the User in payment transactions, which is to be stated when executing payment services, used in payment transaction for unambiguous identification of such user and/or his payment account.

The Bank shall maintain account to the User, execute payment services, and provide other banking services, in accordance with the General Terms, agreement entered into with him, and applicable regulations.

The Bank shall enable the User opening a payment account with a new payment service provider the change in the payment account in the same currency, solely based on the authorisation by the User provided in writing to the new service provider provided that the User has no outstanding liabilities under such account and that other conditions prescribed in the Law on Payment Services are fulfilled.

### **Proxy and Authorisations**

When opening an account, the User may authorise other person for account opening, through proxy certified by competent authority.

The User may authorise one or several persons to dispose of funds on account, by providing signatures of such persons in the Signature Specimen. Authorisation for funds disposal may be sole or joint - restricted with co-signature and without any restriction or including restriction in terms of the amount of funds disposal.

In the event of any change in authorisation or restriction for the disposal of monetary funds, agreement, or other restrictions in legal transactions change, during the contractual relation, the User shall report them to the Bank without any delay.

The User shall state data on the person who will, on behalf of and for the account of the User, be authorised person to physically bring orders, in the event when orders are issued by the User in hard copy.

The Bank shall be entitled to, upon bringing order, identify person, and reject order execution in the event that order provider is the person not stated as such by the User. In this manner, the Bank shall prevent any fraud and order execution not approved by thee User.

For any persons authorised for using the e-banking and m-banking services, the User shall provide the Bank with the data on persons with such authorisation in accordance with the rules of the e-banking and m-banking use. The Bank shall not be liable and shall not bear damage of User arising due to User's failure to report, in an accurate and timely manner, any data relating to private individuals having any authorisations with User, which may impact the execution of payment services and, in general, funds of User held with the Bank.

### **Data Change**

Reporting of any changes shall be made by the User to the Bank on form: Data Change Request. Data Change Request may be downloaded by the User from the web pages and in the points of sale of the Bank.

The User shall fill in and provide the Bank with the respective request in the event of the change in: any data registered with the Agency for Business Registers, any data relating to ownership structure change, any data relating to the change of personal data of persons authorised for signing and disposal of funds on account, any changes of authorised persons, as well as any changes relating to authorisations provided to special persons by representative.

Timely reporting of change means reporting of change immediately upon change occurrence, without any delay and/or within 3 days from change occurrence and/or registration at the ABR or at other official register.

The Bank shall not be liable and shall not bear damage of the User arising from the User's failure to report, in an accurate and timely manner, any data relating to private individuals having any authorisations with the User, which may impact the execution of payment services and, in general, funds of the User held with the Bank.

### **Submission of Notifications**

It shall be deemed that the Bank has performed the obligation of the delivery of any notifications to the User based on the registered or reported mailing address or e-mail address and it will not be liable for any damage arisen with the User due to the failure of reporting address change.

The Bank shall be entitled to refuse services to the User and block the User's account in the event it is aware of the changes of the data not reported by the User to the Bank.

The User shall be liable for any failures or damage which may arise due to the non-compliance with the obligation of the submission of data on arisen changes, as well as due to the failure to be in compliance with the obligation of providing any other data required by the Bank.

The User shall immediately and obligatorily notify the Bank on any unauthorised use of payment services (unauthorised order issuance, internal forgeries, signature misuse, etc.) and on any other security breach form it becomes aware of.

The User shall be liable to the Bank for damage which would arise due to unauthorised and incorrect use of service by the User.

The Bank shall be entitled to stop to execute payment services to the User as well as to block the User's account in the event it is aware of unauthorised use of services or the breach of any other security form.

### **DEBIT/CREDIT CARD**

Upon opening account to the User, the Bank shall, upon its request, issue the User a debit payment card which shall be the payment instrument based on which the User shall dispose of funds on account and/or initiate payment transactions up to the amount of available on his account.

The Bank shall, in accordance with Article 9 of the Law on Multilateral Interchange Fees and Special Operating Rules for Card-based Payment Transactions ("Official Gazette of the RS", no. 44/2018), to the User who wants a payment card, first issue a payment card for which in domestic payment transactions the processing, netting and settlement of transfer orders, issued on the basis of its use, are executed in the payment system in the Republic of Serbia.

If the User also wants a debit payment card of other payment brand, the bank will, upon the User's request, issue other debit payment card (Visa, MasterCard, etc.).

When the existing debit payment card is re-issued to the User, who is the holder of the expired, previously issued card, the Bank shall also issue payment card for which in domestic payment transactions processing, netting and settlement of transfer orders, issued on the basis of its use, are executed in the payment system in the Republic of Serbia (unless business debit card has been previously issued to the User for which in domestic payment transactions processing, netting and settlement of transfer orders, issued on the basis of its use, are executed in the payment system in the Republic of Serbia)..

Credit card shall be payment instrument through which approved loan shall be used up to the level of available balance under loan.

The Bank shall issue credit Card upon the User's request to the persons listed in Credit Card Issuance Application.

Card shall be made out to the User and it shall not be transferable. Card shall be the Ownership of the Bank upon whose request it must be returned.

The Holder of the account the Card is tied to (hereinafter Account Holder) shall solely be liable for proper Card use.

For payment card use and issuance, the Bank shall charge fees and costs listed in the Price List of Products and Services to Entrepreneurs (hereinafter Price List). The Bank shall collect fees and other charges by debiting account the Card is tied to or in cash.

The Account Holder/Card User shall be liable for the accuracy of any data provided to the Bank when the Card is issued and he shall report any data change to the Bank. Any costs incurred to the failure to report data shall be borne by the Account Holder.

### **Card Issuance and Card Data Protection**

The User shall be provided with the Card and PIN (personal identification number). The Bank shall guarantee the Card User PIN issuance secrecy until the provision of the Card. The User shall sign the Card immediately upon the receipt thereof as well as to protect any data therein, and keep PIN in secrecy separately from Card. The non-signed Card shall be invalid, and any financial consequences in the event of the abuse of the non-signed Card shall be borne by the User.

The User must not disclose PIN to other persons (including, without limitation, family members, merchant, bank officer). Otherwise, the User shall entirely be liable for any transactions executed due to the non-compliance with this obligation.

The User must not leave Card as pledge or collateral, or provide card to be used or be in possession of other persons, otherwise, he shall bear complete material liability for any transactions executed due to the non-compliance with this obligation.

In the event the User suspects that anyone is aware of his PIN, he shall undertake to change PIN at the Bank ATM or request making of new card or new PIN in writing. Otherwise, the complete risk of PIN fraud shall exclusively be at the charge of the Account Holder the Card is tied to.

The User acknowledges that he/she is aware that the Bank will not, for security reasons, request the User to confirm data on Card, electronically or by telephone, otherwise the User shall fully bear risks and consequences of identity theft and unauthorised use of data from card due to the provision of data on Card as mentioned above.

## **Card Use**

The Card User shall give his consent to execution of specific payment transaction, i.e. when using Card on ATM, he shall type his PIN, and if Card is used on EFTPOS terminal, he shall sign slip or input PIN. If it is the Card which may be used for payment through the Internet, the User shall, when making an Internet payment, input the full number of the card (PAN) and CVV2 value (number embossed on the back of the card).

The Card may be used at all points of sale and ATMs in Serbia/abroad where the logo of the card company is displayed for withdrawing cash on ATMs and at teller desks of banks and post office (if relevant terminal is installed) and for the payment of goods and services at EFT POS terminals and by the Internet.

The Bank shall not be liable if any merchant does not want to accept the Card though VISA/MAESTRO/ MASTER CARD/DINACARD logo is displayed or if, due to an incorrect terminal use and/or technical problems, it is not possible to execute transaction upon the User's request.

The User shall, upon the request of goods and service seller (hereinafter: Acquirer) provide the Card whose right of use has expired.

The User shall, when paying for goods and services, also sign appropriate slip at acquiring point. Acquirer shall issue slip/account copy to the User.

The User shall not use the Card for illegal purposes, including purchase of goods and service sales of which is prohibited by the law in the territory of the country the Account Holder is in at the time of transaction. The User shall assume full liability in the event of an illegal purchase using the Card subject hereof.

The User must not conclude fictive cashless transactions with Acquirer with the aim of obtaining cash.

The Card whose validity period has expired must not be used, otherwise the User shall be fully liable for any transactions executed due to the non-conformance with this obligation.

The Bank shall, for security reasons, set out cash amount limit and the amount of goods and service payment which may be used at ATMs and EFTPOS terminals on a daily basis. The limits for the card use by the persons authorised by the User shall be set out by the User in the Card Issuance Application. The User shall be entitled to request the change in daily limit level, by providing application for the limit change, without any obligation of the execution of the Annex to the Framework Agreement.

If currency exchange is made when the card is used, currency exchange rate shall be set out in accordance with these General Terms and Conditions for Payment Service Provision.

The Card validity period shall be embossed on card. The Card shall be valid until the last day in stated month. If the User is in compliance with the provisions of Framework Agreement, upon validity period expiry, he shall be automatically re-issued Card, at the fee provided for in the Price List. The Card User shall be entitled to, within 30 days days prior to the Card validity, state unless he wants to be re-issued the card.

## **Currency Exchange Rate**

When exchanging local currency into foreign currency, foreign currency into local currency and a foreign currency into other foreign currency, the Bank shall apply exchange rate from the Bank Exchange Rate List, applicable at the time of exchange unless otherwise is agreed by parties on a case-by-case basis.

In the event payment card is tied to RSD Account, for the costs incurred with card abroad, the Bank will translate the amount of transaction in FX into RSD as follows: MasterCard International or Visa International will translate original amount in EUR at Referential Exchange Rate, and from such amount, RSD value will be calculated at selling exchange rate for FX of the Bank for EUR, applicable on date of debiting.

In the event card is tied to FX account, for transactions executed in RSD, the Bank will convert RSD in the currency available on Account at the Bank buying exchange rate applicable on date of debiting. Sequence of charging currencies shall be as follows: EUR, USD, CHF, BGP, and further in accordance with the sequence of the Bank exchange rate list.

In the event card is tied to FX account, for transactions executed in RSD, if original transaction currency is one of the currencies from the Bank exchange rate list and if funds in original currency are available on Account - account shall be charged in the amount of original currency.

If funds in original currency are not available on account, account shall be charged in currencies according to the following sequence: EUR, USD, CHF, GBP, and further in accordance with the sequence of the Bank exchange rate list at the Bank selling exchange rate for original currency and at the Bank buying exchange rate for currency on account.

In the event the original transaction currency is not included in the Bank exchange rate list, MasterCard International and Visa International shall translate the original amount in EUR in accordance with Referential exchange rate, and the Bank shall, from such amount, calculate RSD counter value at the Bank selling exchange rate applicable on date of debiting, and from such amount at selling exchange rate, the Bank shall calculate counter value in currencies in accordance with the following sequence: EUR, USD, CHF, BGP, and further in accordance with the sequence of the Bank exchange rate list.

MasterCard and Visa exchange rates shall be publicly available on Internet pages [www.visaeurope.com](http://www.visaeurope.com) and [www.mastercard.com](http://www.mastercard.com) and they shall be variable during day, and the Bank exchange rate lists shall be available on the Bank Internet page and at all branches.

## **Complaints**

The User shall keep a copy of slip/account for the purposes of any complaint. The User shall file complaints under concluded transactions in writing in the prescribed form to the closest point of sale of the Bank, immediately upon being aware thereof, but not later than 30 days upon the receipt of statement and/or date of debiting. Complaints not filed within the prescribed deadline and form shall not be accepted by the Bank, and financial loss shall be borne by the Account Holder.

In the event of groundless complaint, actual costs shall be borne by the user. The Bank shall charge user's account or collect costs in cash. Otherwise, the User shall be released from such costs, and the account the Card is tied to shall be credited in the amount of the transaction for which the complaint has been filed upon the procedure completion.

For the complaints relating to the quality of goods and services paid with the Card, the User shall solely address the Acquirer.

## **Lost/Stolen/Misused Card**

The User shall immediately report the Card loss/theft/fraud to the closest Bank sub-branch or to number **021/67 72 116**. A Borrower shall state the Card number of his personal number in order for the Bank to ensure the further use thereof. The User shall, within 2 business days, confirm the report of the lost/stolen Card in writing.

Card found after reporting loss must not be used and it must be returned as cut to the Bank in order to be destroyed. The User shall, without any delay, report to the Bank any damage and deficiency of the Card in the manner provided for in the report of lost card.

In the event of unauthorised use of Card and/or data from Card, resulting in the execution of unauthorised transactions, the User shall, immediately, upon being aware thereof, but no later than within 13 months from the date of debiting, report to the Bank any transaction executed based on unauthorised use of the Card and/or data from such Card.

The User shall, without any delay, return to the Bank damaged, technically deficient card for which he suspects that it has been used in an unauthorised manner. If, after the report of lost card, it is found, the User shall return it, without any delay, to the Bank for the purpose of destruction.

### **Liability for Damage**

The User shall bear any losses resulting from the execution of non-authorized payment transactions if such transactions have been executed due to the User's fraud or his failure to meet the obligation of taking any reasonable and appropriate measures for the purpose of protecting personalised security elements of card due to his wilful intention or gross negligence.

The User shall bear any losses relating to any transaction executed due to fraud committed by the User and the losses resulting from the failure to settle his liabilities resulting from these General Terms to notify the Bank without any delay on loss, theft, and misuse of payment card.

The User shall not bear any losses resulting from the transactions executed upon reporting loss, theft, or unauthorised use of the Card and/or data from payment card unless the User has committed or participated in fraud or acted with the intention of committing fraud.

With regard to the Card which may be used for making the Internet payment, unless the site on which payment is made supports 3-D Secure protection mechanism, the User may be exposed to an increased risk of misuse of the Card data and/or elements of the transaction itself.

If data from card are used by the User with the aim of executing telephone, e-mail, or postal purchase, the User may be exposed to an increased risk of misuse of the Card data and/or elements of the transaction itself.

The User shall have limited liability up to the amount of RSD 3,000 if unauthorised payment transactions have been executed due to the use of lost or stolen Card, or misused Card if the User has failed to protect its personalised security elements.

### **Protective and other Measures**

The User shall use payment card in accordance with these General Terms governing the issuance and use of such an instrument.

The User shall, immediately upon card receipt, take any reasonable and appropriate measures to protect personalised security elements of such an instrument (PIN, card number, etc.).

The User shall, immediately upon becoming aware of loss, theft, or fraud of payment instrument, report the Bank thereof.

### **Payment Instrument Blocking**

The Bank shall block the further use of payment instrument if there are reasonable grounds relating to payment instrument security, if there is suspicion of unauthorised use of payment instrument or the use thereof for the purpose of fraud, or if there is an increased risk that the User will not be able to meet the payment obligation when the use of such instrument is related to the approval of loan and/or overdraft of account to the User (blocked account card is tied to, etc.).

The Bank shall notify the User on its intention of payment instrument blocking and on the reasons of such blocking. Unless it is able to notify him thereof prior to payment instrument blocking, the Bank shall do so immediately upon blocking. Notification on the intention of blocking i.e. payment instrument blocking shall be provided with the User by

the Bank in the manner set out in the Framework Agreement unless the provision of such notification is prohibited under regulations or if there are reasonable security reasons not to do so.

The Bank will ensure re-use or replacement of the payment instrument with a new one - when reasons for blocking thereof cease.

## **E=BANKING AND M-BANKING**

NovoKlik, Office Banking, NetBanking, and Erste e-Biz (hereinafter: E-Bank Services) mean the e-banking services provided by Erste Bank a.d. Novi Sad (hereinafter: Bank).

Erste mBiz (hereinafter: M-Bank) means the mobile banking service of Erste Bank a.d. Novi Sad Novi Sad (hereinafter: Bank).

The use of Erste mBiz service is conditioned with the use of Erste eBiz service and it may not be independently agreed or used.

E-Bank and m-Bank shall enable the user to execute and review payment transactions and review account balance.

These general terms shall define in detail the options of each of the E-bank Services and the rights and obligations of using thereof shall be stipulated.

- Smart card means a security device with installed chip, on which the e-certificate and cryptographic keys necessary for e-banking service are stored. Smart card shall be used for electronic identification within card validity.
- Smart card reader means a device for reading data from smart card.
- Personal number (PIN) means a combination of characters assigned to the User by the Bank which, together with smart card, ensures the use of e-banking.
- TAN table means a card with 32 eight-digit numbers. It shall, together with the user name and password, be used for the identification of the User when logging on Netbanking.
- The User identification means a set of elements necessary for E-bank service identification and use
- SMS OTP means one-off code received by the client in SMS to the registered number of mobile telephone, which is, in addition to the user name and password, the second authentication factor.
- The user name and password are the parameters comprising particular number of characters, received by the User when Erste eBiz service is registered, used for the authentication to such service
- Registration and activation code - combination of numbers and letters, assigned to the User by the Bank.

### **E-Bank and M-Bank Service Use Agreement**

The E-Bank and M-bank service user may become any entrepreneur and private individual performing registered activity holding the current account at the Bank (hereinafter: User), which provides the Bank with correctly filled-in and signed Application Form and accompanying documentation for the approval of the E-Bank and M-Bank service use, which shall be an integral part of Agreement on Current Account Opening and Maintaining, providing for the possibility of using such services.

The Applicant shall, by filling in certain fields of the Application Form, determine the level of authorisation of the persons accessing the E-Bank and M-Bank services. All persons listed in the Application Form shall confirm the accuracy of stated data with their signature. The authorised person shall, with his signature and stamp, guarantee for the provision of authorisation to authorised users and, at the same time, grant authorisation to the users with the

right of verification to agree additional functionalities through the E-Bank and M-Bank services. Any authorised person shall have certain authorisation type for the E-Bank and M-Bank use assigned by the User's Legal Representative in the the Application Form.

The Legal Representative may revoke granted authorisations by providing the bank with the relevant notification.

### **E-Bank Services**

User may, at own choice, select using some of the E-Bank Services:

- NovoKlik
- NetBanking
- Office Banking
- Erste eBiz

### **M-Bank services:**

- Erste mBiz E-Bank and M-Bank Service Scope
- NetBanking service is Web user application enabling the User to perform the following: access account balance; view account turnover; view statements; execute agreement on SMS services; execute payment orders for RSD and FX payment transactions on current date and on a future date. The Bank shall enable the User to use all of the functionalities offered in the Netbanking, and the User shall individually, at own discretion, determine which of the functionalities he wants to use.
- Novoklik means Desktop user application enabling the User to view account balance; view account turnover; view account statement; execute payment using RSD (including instant - urgent ones) and FX payment orders on current date and on a future date; receive and send personal and general messages.

NovoKlik service shall, within its functionalities, enable the User to receive and send E-invoices. The use of E-invoice functionality is solely possible by using qualified smart card.

- Office Banking means Desktop user application enabling the User to view account balance; view account turnover; view account statements; executed payment using RSD payment orders on current date and liabilities payment on a future date (including instant – urgent payment orders).
- Erste eBiz service means a Web user application enabling the User to perform the following: access account balance; view account turnover; view statements; execute payment orders for RSD (including instant –urgent orders) and FX payment transactions on current date and on a future date; activate Erste mBiz m-banking service. The Bank shall enable the User to use all of the functionalities offered in the Erste eBiz application, and the User shall, at own discretion, determine which of the functionalities he wants to use.
- Erste mBiz service means a mobile application enabling the User to perform the following: access account balance; view of account turnover; view statements; execute payment orders for RSD (including instant - urgent orders) and FX payment transactions on current date and on a future date. The Bank shall enable the User to use all of the functionalities offered in the Erste mBiz service, and the User shall, at own discretion, determine which of the functionalities he wants to use.

The Bank shall reserve the right to change the volume and content of the E-Bank and M-Bank services on which the User shall be notified through the content of its web pages.

## **E-Bank and M-Bank Service Use**

**NetBanking** - Upon the approval of Application Form by the Bank, the Bank shall provide the User with user name and password to e-mail and TAN table or another security device necessary for NetBanking service identification and use (hereinafter: user identification). The User shall use the NetBanking service upon the receipt of user identification and he shall undertake to, when accessing the NetBanking service for the first time, change his password. The instruction on the NetBanking functionality use shall be available on the web page for the service activation.

**NovoKlik** - Upon the approval of application form by the Bank, the Bank shall provide the User with smart card reader, smart card, and personal identification number (PIN), and he shall receive instructions for downloading installation package and User Manual through link.

For the approval of using NovoKlik service, the User shall, in addition to Application Form, and also sign the following documents:

In the event the User does not have an issued e-certificate for individual user, the User shall also provide the Bank with the following documents:

- General order for the issuance of qualified personal digital certificates for legal entity
- Application for receiving digital certificate of legal entity (for each individual user for which smart card issuance is requested).

In the event User has already got issued Halcom e-certificate, the following is to be provided:

Certificate in writing on the sameness of digital certificate for authorised individual user.

If the User has already got the above-mentioned, the Bank will enable him to use the existing smart card upon approving submitted documentation by the Bank.

The User may begin using the service upon the installation of the programme in accordance with received instructions. Necessary user support may be provided to him by authorised person of the Bank.

Smart card shall be issued for the validity period of e-certificate determined by issuer, and upon the expiry of such period, e-certificate validity must be renewed. Card renewal means the issuance of new smart card.

Receipt and sending of E-invoices to NovoKlik service will be ensured upon the approval of application form by the Bank.

**Office Banking** - Upon the approval of application form by the Bank, the Bank shall provide the User with the smart card reader, smart card, and personal identification number (PIN), instructions for downloading installation package, and User Manual through link.

If the User has already got the above-mentioned, the Bank will enable him to use the existing smart card after the submitted documentation is approved by the Bank.

The User may begin using the service upon the installation of the programme in accordance with received instructions. Necessary user support may be provided to him by authorised person of the Bank.

Smart card shall be issued for the validity period of e-certificate determined by issuer, and upon the expiry of such period, e-certificate validity must be renewed. Card renewal shall not require the issuance of new smart card.

Erste eBiz - Following the approval of the Application Form by the Bank, the Bank shall provide the User with the user name to the e-mail, and the password shall be forwarded in the SMS to the registered mobile telephone number. Another identification factor in addition to the user name and password shall be SMS OTP, one-off code automatically generated by the application and sent to the User to the registered mobile telephone when registering to the Erste eBiz application. The Erste eBiz application may also be accessed by the User through Halcom e-certificate and the password received in the SMS to the registered mobile telephone number. The User shall start using the Erste eBiz service upon the receipt of user identification and, when accessing the Erste eBiz service for the first time, he shall change the password. Instruction on the Erste eBiz functionality use shall be available on the web page for the service activation.

Erste mBiz - After the consolidated application form is approved by the Bank for Erste eBiz and Erste mBiz service and the Erste eBiz service is activated, the User shall file the application for the activation of the Erste mBiz service through the Erste eBiz application. The Bank shall provide the User, by e-mail, with the registration code and activation code in the SMS to the registered mobile telephone number (hereinafter: user identification). The User shall start using the Erste mBiz service following the receipt of the user authentication and, when the Erste mBiz service is accessed for the first time, he shall create mToken and generate a four-digit PIN used when logging on to the application. The instruction on the Erste mBiz functionality use shall be available on the web page for the service activation.

All of the forms of using E-Bank and M-Bank services which are electronically executed applying the prescribed user identification shall be identical to signing.

The User shall fill in all of orders and any necessary specifications in an orderly and accurate manner and authenticate them in the manner provided for in the user identification and specific application, taking available amount of funds on accounts at the Bank into account, otherwise he shall bear the risk of non-execution, incorrect execution, and/or rejection of payment order execution.

The User is aware that only current international transactions may be paid (for the E-Bank and M-Bank services supporting international payments), including the obligatory input of number and date of document based on which the international payment is executed (agreement, invoice, proforma invoice, etc.). The User shall not be bound to provide the Bank with the original order or document based on which international payment grounds and obligation are evidenced, but he shall keep these documents, for the purpose of smooth control by the Bank and bodies competent for FX control, and, upon the Bank's request, they shall be provided for examination.

The Bank shall guarantee to the E-Bank and M-Bank service User to freely dispose of funds on all demand accounts, opened based on the agreement entered into with the Bank, up to the amount of funds on account, also including overdraft on such accounts.

Payment order execution deadline shall be defined in the Bank Cut-off Times.

The Bank shall not assume liability for the non-availability of the E-Bank and M-Bank services resulting from technical issues of computer equipment, breakdown, or disorders within telecommunication channels, power system outage, or as a consequence of force majeure, and it shall not assume liability for any damage resulting from any loss or destruction of any data and equipment of the User due to the installation and use of the E-Bank and M-Bank service.

#### **Payment Instrument Data Protection – E-Bank and M-Bank, and Liability for Damage**

The User shall keep the secrecy of the user identification and smart card and he shall accept full liability for any obligations resulting from the attributes of his user identification and/or smart card. The User shall, immediately upon the receipt of the user identification, take any reasonable and appropriate measures for the purpose of protecting the personalised security elements of the user identification.

The User shall immediately and inevitably notify the Bank on any non-authorized use of his user identification, loss of TAN table, SMART card, or other security device and on any other form of breaching security he becomes aware of and initiate blocking of the E-Bank and M-Bank service use if there are suspicions of any unauthorized use/fraud of user identification, in one of the following manners: initiating the e-bank service use blocking in the manner provided for in the application, in person at the Bank branch, or by calling contact center at 021/423-364 or 0800-201-201 on business days 8 a.m. - 5 p.m. and on Saturday 8 a.m. - 1 p.m. or by sending e-mail requesting blocking the service of the e-bank to the e-mail address: [blokadaplatnoginstrumenta@erstebank.r](mailto:blokadaplatnoginstrumenta@erstebank.r)

The Bank shall be entitled to block the use of the Erste NetBanking, Erste eBiz, and Erste mBiz service and disable its further use if there are grounds relating to payment instrument security, if there is suspicion of any unauthorized payment instrument use, or the use thereof for the purpose of fraud, as well as in other cases required by security reasons.

The Bank will notify the User on the intention and reasons of blocking, and unless it is able to notify him thereof prior to blocking, it shall notify the User thereof immediately upon blocking unless the provision of such notification is prohibited under regulations or there are reasonable security reasons thereof.

The Bank will automatically block the service use to the user if incorrect user data are input three times during logging. In such case, the User may unblock service access in person in the Bank premises or by calling the User Support.

If the Bank, using special application, determines that the operating system used by the User for initiating payment transactions through the Netbanking/Officebanking/Novoklik/Erste eBiz and Erste mBiz is virus infected enabling unauthorized person to access the security elements of the payment instrument and unauthorized use thereof, due to which payment instrument security is affected, the Bank will prevent any further use of the Netbanking/Officebanking/Novoklik/Erste eBiz and Erste mBiz, and request the User to take actions to eliminate such virus.

The Bank will ensure the re-use of the Netbanking/Officebanking/Novoklik/Erste eBiz and Erste mBiz service after the User takes actions upon its request, and after it is determined that there is no further threat to the security of the payment instrument use.

The User shall bear any losses resulting from the execution of non-authorized payment transactions if such transactions have been executed due to the User's fraud or his failure to meet the obligation of taking any reasonable and appropriate measures for the purpose of protecting personalized security elements of the user identification due to his wilful intention or gross negligence.

The User shall bear any losses relating to any transaction executed due to fraud committed by the User, as well as bear any losses resulting from the failure to meet his liabilities resulting from these General Terms, to notify the Bank without any delay on loss, theft, and misuse of the payment instrument and/or the user identification.

The User shall not bear any losses resulting from transactions executed upon reporting loss, theft, or unauthorized use of the user identification to the Bank unless the User has committed or participated in fraud or acted with the intention of committing fraud.

The User shall have limited liability up to the amount of RSD 3,000 if unauthorized payment transactions have been executed due to the use of lost or stolen user identification, or if user identification has been misused, because the User has failed to protect its personalized security elements.

The User shall be liable for the accuracy of all data of payment orders and bear the risk of inputting incorrect data and frauds of the E-Bank and M-Bank services in his own environment.

## **Notification**

The User shall be reported on payment transactions executed through E-Bank and M-Bank services through the Statement provided to the e-mail address reported to the Bank or in any other manner agreed under each individual account. The User accepts to receive additional notifications, of informative or other nature, through various Bank distribution channels. The deadline within which the User may file complaint relating to transaction sent by the E-Bank and M-Bank services shall expire on the eighth day upon transaction execution. Complaint request may be provided by sending message within the E-Bank and M-Bank services, by electronic mail, mail, and, exceptionally, by telephone in which case it shall be necessary to, as soon as possible, forward complaint request in writing to the Bank.

## **Fees**

Fees for the E-Bank and M-Bank services use shall be collected through the User's account or by other collection form in accordance with the Price List.

The E-Bank and M-Bank services use will be immediately charged, or an invoice will be issued by the Bank. The User accepts that the Bank may, for the purpose of fee charging, debit its accounts without obtaining specific signature and excluding obligation of providing the User with prior notification.

## **Service Cancellation**

The User shall be entitled to cancel the E-Bank and M-Bank service use, by filing request in writing within 30-day notice period which shall start to run from the date of request receipt. Prior to the expiry of such notice period, the User shall return any allocated user identifications and settle any outstanding liabilities to the Bank.

The Bank shall reserve the right to reject the User's Request for the E-Bank and M-Bank service use and it may, at any time, withdraw any rights for using the E-Bank and M-Bank services if the User has failed to execute transactions through the Bank longer than 6 months, settle liabilities on a regular basis and at maturity, be in compliance with the General Terms, applicable regulations and instructions of the Bank, and if there are reasons of security protection due to the suspicion of the user identification fraud.

## **DIRECT DEBIT**

The User may agree direct debit service with the Bank enabling him to settle his liabilities to payee based on the consent provided to the Bank by payee, payee's service provider, or payer.

Direct debit authorisation may be one-off or multiple, with fixed or periodical maturities.

Direct debit authorisation in prescribed form may be provided by the User to his bank, payee's bank, or payee.

The Bank will execute direct debit in accordance with the conditions determined in direct debit form. Unless direct debit payment date is business day, payment will be executed on the first next business day. The User shall ensure funds on his Account on the date of debit not later than the time defined in the Cut-off Times. The Bank shall execute direct debit only if there are sufficient funds on account for the cover of the total defined payment amount.

The Bank will fully execute individual order which is a part of a series of payment transactions, exceptionally order will be executed in partial amount when there are insufficient funds on the User's Account for complete order execution if direct debit is agreed for the purpose of settling loan to the Bank.

Direct debit for the payment of liabilities which are not for the purpose of loan settlement to the Bank may be agreed by the User with the Bank after the Bank ensures technical conditions by the Bank.

## **Return of Amount of Approved and Correctly Executed Payment Transaction**

The Bank shall ensure to, upon payer's request, return full amount of approved and correctly executed payment transaction by direct debit if the following conditions are met:

- 1) the payer's authorisation for execution of a payment transaction does not specify the exact amount of the payment transaction;
- 2) the amount of the payment transaction exceeds the amount the payer could reasonably have expected taking into account its previous spending pattern, the conditions stipulated by the framework contract and circumstances of the case.

The payer's payment service provider may require from the payer to provide evidence about facts relating to the fulfilment of conditions under paragraph 1 of this Article. The payer may not refer to the condition under paragraph 1, item 2) of this Article if the higher amount of the payment transaction was due to currency conversion at the agreed reference exchange rate.

The payer may submit the request referred to in paragraph 1 of this Article within 56 days after the debit date.

The payer's payment service provider shall refund the full amount of the payment transaction to the payer or inform it of the reasons for rejecting the request specified under paragraph 1 of this Article by no later than ten business days after the receipt of the request.

If it rejects the request referred to in paragraph 1 of this Article, the payment service provider shall, in the notification about the reasons for the refusal, notify the payer also about the procedure for the protection of rights and interests of payment service users, including out- of-court redress, and the proceedings that could be instituted for the violation of provisions of this Law, as well as the body responsible for conducting these proceedings.

The payer shall not be entitled to the return of payment transaction amount if the following conditions are met:

- 1) the payer has given its consent to execute the payment transaction directly to its payment service provider;
- 2) information on the future payment transaction was provided or made available in the agreed manner to the payer for at least 28 days before the due date by the payment service provider or by the payee.

The payer and its payment service provider may agree by provisions of the framework contract regulating direct debits that the payer may request a refund of the amount of the authorised payment transaction executed through direct debit even when the conditions under paragraph 1 of this Article have not been met. In such case, the payer's payment service provider may not refuse the payer's request for a refund of the amount of the payment transaction.

## **IV PAYMENT SERVICE PROVISION**

### **Consent for Payment Transaction**

Payment transaction shall be deemed authorised if a payer has given its consent to the execution of payment transaction or if payer has given its consent for the execution of a series of payment transactions such payment transaction is a part of.

Method of giving consent to payment transaction execution shall depend on payment instrument and order receipt channel.

The User shall give its consent for the execution of payment transaction initiated:

- at the Bank branches - by signing payment order,
- through e-banking and m-banking using password, user name, and TAN table, token, smart card, or other security designation, final transaction verification in the manner defined in application for such service
- by payment card, providing card to merchant and inputting PIN in POS device or by signing slip generated from POS device, placing card near contactless device, inserting card in ATM and inputting PIN in ATM, inputting data on payment card, validity period, and security code when trading through the Internet, inserting or placing card near self-service device and/or using card in the manner in which self-service device requires authorisation,
- if he has agreed and signed standing order or direct debit with the Bank or payee for the execution of single and/or a series of payment transactions (standing order and direct debit).

### **Payment Order Types**

Payment order may be incoming, outgoing, and transfer payment order.

Incoming payment order means payment order used for incoming payments of cash to current account (payment of liabilities in cash or other cash incoming payments to the account of User or payee).

Outgoing payment order means payment order used for cash outgoing payments from current account.

Transfer order means payment order used for cash transfer from current account to current account.

Electronic payment orders include the same elements as payment order forms in hard copy.

Payment orders for payments in FX in Serbia and international payment orders, as well as payment orders in RSD and FX between non-residents and residents in Serbia are prescribed in the Law on Foreign Exchange Transactions, Decision on Conditions and Method of International Payment Execution, and Instruction on Implementing such Decision. Payment orders for payment among non-residents, residents, and non-residents in Serbia, and for payments abroad shall include Payment Order, Collection Order, and General FX Order. Documentation evidencing payment and/or collection grounds in accordance with regulations shall be provided in addition to the above-mentioned orders.

### **Payment Order Receipt**

The Bank shall receive payment orders through its distribution channels, in accordance with the provisions of account opening and maintaining agreement, and the provisions of General Agreements for payment services and the provisions of the these General Terms (Erste NetBanking/Office banking/Novoklik/Erste eBiz and Erste mBiz, payment card issuance, etc.) provided by the Bank relating to such accounts.

Order may be received at the Bank:

- by personal submission at the Bank branch, in writing;
- electronically through Netbanking/Officebanking/Novoklik/Erste eBiz and Erste mBiz, or
- indirectly through payee (using payment card or through direct debit).

### **The Bank Procedure upon Order Receipt**

The Bank shall determine the fulfilment of conditions for order execution at the time of receiving order. If execution date is determined in order in advance, the Bank shall verify conditions for payment order execution at particular date of execution.

Orders referring amount exceeding the amount set out in the Law on the Prevention of Money Laundering and Terrorism Finance must be provided together with the documentation confirming payment grounds. Original documentation or certified copy shall be presented to the Bank and the Bank shall keep documentation copy.

The Bank shall be entitled to require the User to provide additional information relating to payment transaction if such obligation arises from the regulations governing the prevention of money laundering or terrorism finance or internal acts of the Bank passed based on such regulations.

Orders must be filled in a legible, clear, and unambiguous manner. Any data required in order form must be filled in, inputting execution date and obligatory signature, otherwise by granting consent depending on product and/or communication channel with the Bank.

The User shall be liable for the completeness and accuracy of data stated in payment order.

The Bank will not receive order if, until the time of receipt, it identifies deficiency of any of its elements or the existence of other important reasons.

### **Order Receipt Time**

The time for payment order receipt shall be the moment when the Bank directly receives order from User unless different agreement is made, or indirectly through payee.

Date when the Bank indirectly receives payment order from the User or when it is received from payee shall be deemed the date of the initiation of payment transaction execution and execution condition verification.

If payment service User and the Bank determine that payment order execution is to begin on certain date or on the date at the end of certain period or on the date when payer makes monetary funds available to its payment service provider - it shall be deemed that payment order is received on such determined date. Unless such date is business day of payment service provider, it shall be deemed that order is received on the next business day of such provider. The payment orders in the amount up to RSD 300,000 for which the client has, when the order is filled in, selected the instant payment (urgent) option, will be, in the event such orders are issued, executed by the Bank instantly or almost instantly at any time of the day during every day in year.

For payment transactions initiated using card, the time of order receipt shall mean the moment in which the Bank has received the order of payee's payment service provider, after which the User's account will be debited in the amount of payment transaction.

Unless payment order receipt time is business day of the Bank and/or if the Bank has received order after particular deadline for payment order receipt in accordance with Cut-off Times, it shall be deemed that such order is received on the next business day, save in the event of the instant payment when the rules for order execution apply based on the Cut-off Times for such payment type.

### **Payment Order Execution**

The Bank will execute payment order if the following conditions are met:

- if order is accurate and/or contains minimum data necessary for the execution thereof
- if there is cover on account for the payment of total amount from order or if user executing incoming payment to its current account provides the Bank the cash in the amount necessary for order execution,

- if consent is granted for payment order as agreed.

The Bank may execute payment orders even when they do not include all of the prescribed elements if it is determined that the elements stated in order are sufficient for the execution thereof.

Payment order may be incoming, outgoing, and transfer payment order. The Bank shall execute orders of all of the above-mentioned conditions are met, by receipt time unless there are legal obstacles for order execution.

The User shall be liable for the accuracy of all data in Order and it shall bear the risk of the input of incorrect data and for any frauds. Any damage arising from the non-compliance with this provision shall be borne by the User.

The Bank shall not be liable in the event when Order is rejected in payment system or in the IPS payment system of the National Bank of Serbia or when it is not possible to execute it correctly and in time due to the User's error.

Orders referring amount exceeding the amount set out in the Law on the Prevention of Money Laundering and Terrorism Finance must be provided together with the documentation confirming payment grounds. Original documentation shall be presented to the Bank and the Bank shall keep documentation copy.

Orders in which User requires payments for which obligatory submission of documentation is prescribed as the evidence and/or grounds relating to transaction shall be solely executed by the Bank if prescribed documentation is presented and if such documentation corresponds payment purpose referred in order.

If, at the time of order execution, there are no monetary funds on User's account or there are insufficient monetary funds for order execution, the Bank shall try to execute such order within next 3 days, and unless execution is possible within such period due to lack of funds, order will be automatically deleted from execution records upon the expiry of the third business day. The User shall not be notified by the Bank on the deletion of order from records due to the reasons referred in this Article. In cases of instant credit transfer, the special rules shall apply, in accordance with the National Bank of Serbia by-law.

In cases when the User issues several orders for which there are no sufficient funds on the User's account in aggregate, unless it has been specifically emphasised by the User (urgent or priority orders), the Bank will execute such orders in accordance with the sequence determined by the User up to the utilisation of funds on the User's account. Remaining non-executed orders shall be treated in accordance with the above paragraph.

### **Payment Order Rejection**

The Bank may reject order execution unless all of the conditions for order execution provided for in the above item of these General Terms are met.

The User shall also be notified by the Bank on rejection and, if possible, on the reasons of rejections and procedures for correcting the errors resulting in rejection unless such notification is prohibited in regulation.

The Bank shall provide the User with the notification referred in the above paragraph without any delay, but no later than within the terms stipulated for payment order execution.

The Bank may charge fee to the User regarding notification on payment order rejection if the reason of rejection is of nature e.g. insufficient balance on account or order has not been completed in accordance with these General Terms, account blocking, etc. Fee level shall be determined in the Retail Service Price List.

The Bank shall be entitled to reject order meeting all of the execution conditions if the execution thereof would be contrary to the regulations governing the prevention of money laundering or terrorism finance or internal acts of the Bank passed based on such regulations.

In the event of instant transfer order, the Bank shall be entitled to reject such an order if it receives a notification from the IPS system operator on the rejection of the execution of such an order due to the failure to fulfil the conditions for

the execution of such transfer, set out in the rules of such system. The Bank will not execute instant payment order in the event the payee's payment service provider is not a participant in the IPS system, on which the User will be notified.

If payment order is rejected by the Bank, it shall be deemed that payment order has not been received.

### **Payment Order Recall**

Payer may recall payment order - by providing the Bank request for recall in writing or electronically depending on the method of the issuance of payment order recalled (amount, payee, payer, execution date, etc.), at the time and in the manner ensuring to initiate such recall prior to the execution of the instructions contained in such order provided that the Bank has not executed such payment order.

When Payer has specifically agreed the beginning of order execution with the Bank, order may be recalled not later than the closing time for order execution on the business day preceding the day agreed as the beginning of order execution and/or until the time of forwarding order to clearing.

If transaction is initiated by payee by direct debit, payer may recall such order not later than the end of the business day preceding the date set out for debiting payer's account.

For card initiated payment transactions, payer may not recall payment order upon transaction authorisation and/or upon inputting PIN, thus, approving transaction.

In the event of an instant transfer, the payee may request the Bank to initiate the instant transfer recovery from the payee's payment service provided due to the reasons provided for in the applicable regulations (e.g. the payer has executed instant credit transfer to an incorrect number of the payee's payment account, in an incorrect amount, etc.).

If the user recalls an order upon the expiry of the deadlines referred in paragraph 1-3 of this Article, the Bank may take reasonable actions to prevent order execution while being in compliance with the applicable regulations and professional rules.

Recall of order upon the expiry of the deadlines referred in paragraph 1-3 of this Article may be charged by the Bank, in accordance with the Price List.

Upon the expiry of recall deadline, payment service user may recall payment order only based on agreement with the Bank. If payment transaction is initiated by payee or payer through payee, payment order recall upon the expiry of the deadlines referred in paragraphs 1-3 of this item may not be executed without payee's consent.

### **Payment Transaction Execution Deadline**

Payment orders shall be executed by the Bank considering the time of order receipt in accordance with the Cut-off Times.

Order execution time shall be set in accordance with RTGS cut-off times and the National Bank of Serbia Clearing System.

The orders shall be executed by the Bank on the same business day, as follows:

- for all external orders provided until 4 p.m.
- for all internal orders provided until 6 p.m.

Payment orders shall be executed in accordance with time of receipt and execution date.

In the event of domestic payment transaction up to 300,000 thousand dinars initiated as an instant credit transfer, the Bank shall ensure that the transaction amount is instantly or almost instantly credited on the account of the payee's payment service provider, following the receipt of such an order.

In the event of international payment transactions or payment transactions in currency of third states, the Bank shall not be bound to, prior to payment service agreement entering into, deliver or make readily available information to the User relating to deadline for payment transaction of payment service provider of payee in a third country if, at the time of entering into this agreement, such information is not available to the Bank. In such case, framework agreement relating to these transactions needs not contain information on transaction execution deadline, and the Bank shall ensure to provide the payment service User with the information on expected time of payment transaction execution.

## **V INFORMATION AND COMMUNICATION METHOD BETWEEN THE BANK AND THE USER**

### **Information in Pre-agreement Stage**

The Bank shall, within reasonable term, prior to entering into framework agreement, provide information to the User stipulated in the law as the obligatory elements of such agreement in such manner which will enable the user to become aware of the conditions relating to payment service provision, as well as to compare offers of various payment service providers and estimate whether these conditions and services meet his needs.

The Bank shall, within the appropriate term prior to the execution of the framework payment account agreement, at the same time when other information is provided as set out in the Law on Payment Services, provide the User with the Overview of Services and Fees, free of charge - in hard copy or other permanent data carrier, in the manner ensuring the evidence on the executed delivery. The Bank will make the Overview of Services and Fees available at its teller desk facilities and publish it in the Bank's web site.

The Bank may provide the User with the information referred to in paragraph 1 of this Article by providing draft framework agreement which contains this information, in hard copy, or on other permanent data carrier. Offer provided to the User in the form of draft agreement shall be valid for three days until the date of the provision thereof to the User.

### **Information of Payer prior to and upon Payment Transaction Execution**

The Bank shall, prior to the execution of individual payment transaction initiated by the payer based on framework agreement, provide the payer, upon his request, with specific information on deadline for the execution of such payment transaction and fees charged to him.

The Bank shall, immediately upon debiting the payer's payment account or upon the receipt of payment order unless the payer uses payment account, provide the following information to the payer: a reference or other data enabling the payer to identify each payment transaction and information relating to the payee; the amount of the payment transaction in the currency in which the payer's payment account is debited or in the currency that the payer indicated in the payment order; the amount of any charges levied on the payer for execution of an individual payment transaction and, if the payment service provider collects these charges in aggregate amount - the breakdown of the types and amounts of each individual charge making up the aggregate charge; if applicable, the interest payable by the payer; if currency conversion is applied - the exchange rate used by the payer's payment service provider in executing the payment transaction, and the amount of the payment transaction after currency conversion; the value date of debiting the payment account, and/or the date of receiving the payment order.

The Bank shall periodically provide information referred in the above paragraph on a monthly basis, in the agreed manner, in hard copy or other permanent data carrier.

The Bank shall provide the payer, upon his request, free of charge, with the information referred to in paragraph 2 of this Article on individual executed payment transactions on a monthly basis.

## **Information to Payee upon the Execution of Individual Payment Transaction**

The Bank shall, immediately upon transaction execution, provide the payee with the following information: a reference or other data enabling the payee to identify each payment transaction, as well as information relating to the payer and other data transferred with such payment transaction in accordance with the law; the amount of the payment transaction in the currency in which the payee's payment account is credited or in the currency in which pecuniary funds have made available to the payee; the amount of any charges levied on the payee for execution of an individual payment transaction and, if the payment service provider collects these charges in aggregate amount - the breakdown of the types and amounts of each individual charge making up the aggregate charge; if applicable, the interest payable by the payee; if currency conversion is applied - the exchange rate used by the payee's payment service provider in executing the payment transaction, and the amount of the payment transaction after currency conversion; the value date of crediting the payment account of the payee, and/or the date of making funds available to the payee.

The Bank shall periodically provide information referred in the above paragraph on a monthly basis, in the agreed manner, in hard copy or other permanent data carrier.

The Bank shall provide the payer, upon his request, free of charge, with the information referred to in paragraph 1 of this Article on individual executed payment transactions on a monthly basis.

The Bank shall, upon the User's request, provide the User with the statement on all charged fees for the services connected to the payment account, minimum on an annual basis. (hereinafter: report on charged fees) shall be set out. The report on charged fees will be delivered by the Bank to the user in accordance with the terms set out in relevant by-law of the National Bank of Serbia.

## **Communication Method**

Unless otherwise agreed between the Bank and the user, communication during the contractual relation is to be made in the Serbian language.

The Bank and the User shall communicate in the agreed manner as follows: exchanging notifications and other writs by mail or electronic mail, and upon the User's explicit request by overtaking writs at the Bank Branch.

The User with whom the Bank electronically communicates shall ensure to meet minimum technical requirements for using electronic mail, as follows: possession of computer/mobile telephone, adequate operating system, hardware base, supporting respective e-banking application, Internet browser, and e-mail address.

The User shall notify the Bank in writing on any changes of personal data, and other data relating to the account, referred in account opening application. The User shall be liable for any failures and damage arising from the non-conformance with the obligation of providing data on arisen changes.

## **VI FEES AND INTEREST RATES**

### **Fees**

For payment service execution, fees and commissions will be charged by the Bank in accordance with the Price List.

Commissions shall be defined in percentage amount where base for percentage application shall be value of transaction defined by User in order provided to the Bank. Commissions shall, in addition to percentage amount, always include defined minimum value in absolute amount designating value of minimum calculated commission charged i.e. which must apply if lower value is obtained by applying percentage to value in order.

Commissions shall include defined maximum value in absolute amount designating value of maximum calculated commission charged i.e. which must apply if higher value is obtained by applying percentage to value in order.

Fees shall be charged through business account of the User by debiting the User's account on a monthly basis and they shall be clearly visible in Statement on Changes under Account.

Commissions shall be paid upon the execution of any order, on the date indicated by the User as the date of the execution of payment from order, by debiting the User's account and they shall clearly be visible in Statement on Changes under Account.

Sequence of the collection of fees and commissions, in the event the User lacks funds on account upon order execution, shall be made upon the first funds inflow to the User's account or at the end of month when fee calculation and collection shall be made.

The payer's payment service provider, the payee's payment service provider and the intermediary participating in the execution of a payment transaction for the account of the payment service provider shall transfer the total amount of the payment transaction specified in the payment order from the payer to the payee.

By way of derogation from the above paragraph, the payee and its payment service provider may agree that the payment service provider shall deduct its charges from the amount transferred before crediting it to the payee's account or making it available to the payee. In such case, following the execution of a payment transaction, the full amount of the payment transaction and charges paid shall be shown separately in statement by payment service provider.

If, in the course of international payment transactions, the Bank charges fee to the payment service User for the execution of international payment transaction or payment transactions in the currency of third states are charged by other payment service provider or intermediary participating in the execution of these payment transactions - the Bank shall, prior to payment transaction initiation, notify the User on the amount of such fee. If, at the time of initiating payment transaction, it does not have available information on the exact fee amount, the Bank shall provide the User with the information on the expected amount of the fee.

### **Interest Rates**

Interest may be accrued and paid by the Bank to the funds deposited on current or deposit account, in accordance with agreement entered into with the User.

Legal default interest in the amount and in the manner prescribed in the Law on Default Interest shall be accrued and charged by the Bank to the funds of over the limit of account, as well as to the amount of overdue liabilities to the Bank.

## **VII LIABILITY FOR PAYMENT TRANSACTION EXECUTION**

### **Liability for Non-approved Payment Transaction**

The Bank shall be liable for the execution of payment transaction for which there is no consent by payer in accordance with the General Terms.

If the payment service user denies that it has given consent to executed payment transaction or claims that payment transaction has not been duly or timely executed, and the Bank fails to prove that payment transaction authentication has been implemented and that payment transaction has been incorrectly recorded and posted, the Bank will return the amount of such transaction to the payer i.e. it will return the payer's payment account to the balance in which it would have been unless non-approved payment transaction has been executed, and return the amount of all fees charged to payer, i.e. pay the amount of any fees payer would be entitled to unless non-approved payment transaction has been executed.

### **Payer's Liability for Unauthorised Transaction**

The Payer shall bear losses resulting from the execution of unauthorised payment transactions up to the amount of RSD 3,000 if such transactions have been executed due to:

- 1) the use of a lost or stolen payment instrument, or
- 2) the misappropriation of a payment instrument, if the payer has failed to protect its personalised security features.

The Payer shall bear any losses resulting from the execution of non-authorized payment transactions if such transactions have been executed due to the payer's fraud or his failure to meet the obligation of taking any reasonable and appropriate measures for the purpose of protecting personalised security elements of such instrument due to his wilful intention or gross negligence.

If the payment service provider does not provide appropriate means of the notification of a lost, stolen or misappropriated payment instrument, the payer shall not bear losses resulting from the use of that payment instrument, except where it has acted fraudulently.

The payer shall not bear any losses resulting from unauthorised payment transactions executed after it notified the payment service provider of the lost, stolen or misappropriated payment instrument, except where these losses occurred due to the payer acting fraudulently.

#### **Liability for Non-executed or Incorrectly Executed Payment Transaction Initiated by Payer**

If payment transaction is initiated by the payer, the payer's payment service provider shall be liable to the payer for the correct execution thereof up to the payee's payment service provider.

If the payer's payment service provider is liable for non-executed or incorrectly executed payment transaction, it shall, immediately upon being aware thereof, return the amount of non-executed or incorrectly executed payment transaction to payer, i.e. to return payer's payment account to the balance it would have had unless incorrect payment transaction has been executed, except if payment service user has requested correct payment transaction execution.

If evidence is provided by the payer's service provider to payer, and, as necessary, also to payee's payment service provider, that the account of payee's payment service provider has been credited in the amount of payment transaction, payee's payment service provider shall be liable to payee for non-executed or incorrectly executed payment transaction.

Payment service provider liable for non-executed or incorrectly executed payment transaction shall ensure to return its payment service user the amount of any fees charged to payment service user, as well as to return or pay the amount of any fees entitled to such user relating to non-executed or incorrectly executed payment transaction.

#### **Liability for Non-executed or Incorrectly Executed Payment Transaction Initiated by Payee or Payer through Payee**

If payment transaction has been initiated by the payee or the payer through payee, the payee's payment service provider shall be liable to payee for the correct submission of payment order to the payer's payment service provider.

Unless payment order has been submitted or payment order has not been correctly submitted in the case referred in paragraph 1 of this Article, the payee's payment service provider shall, immediately upon becoming aware thereof, submit and/or re-submit such order to payer's payment service provider.

If the amount of payment transaction initiated by the payee or the payer through payee is credited on the account of the payee's payment service provider, this provider shall be liable to payee for the correct payment transaction execution.

If the payee's payment service provider provides evidence to payee, and, as necessary, to the payer's payment service provider, that it is not liable to payee in accordance with paragraphs from 1 to 3 of this Article - the payer's payment service provider shall be liable to payer for non-executed or incorrectly executed payment transaction.

The payment service provider shall, in accordance with this Article, return to its payment service user the amount of any fees charged to payment service user, as well as return or pay the amount of any fees such user is entitled to relating to non-executed or incorrectly executed payment transaction.

### **Rights and Obligations of Payment Service Providers in Case of Incorrectly Executed Payment Transactions**

The Rights and obligations of payment service providers in case of incorrectly executed national payment transactions shall be the following:

1) if the payer's payment service provider transfers to the payee's payment service provider the amount of the payment transaction that is higher than the amount indicated in the payment order or if it by mistake executes the same payment order several times, the payee's payment service provider shall, based on evidence submitted by the payer's payment service provider that made the error, return such funds to the payer's payment service provider without undue delay;

2) if the amount of the payment transaction transferred to the payee's payment service provider is lower than the amount indicated in the payment order, the payer's payment service provider may, within the time limits prescribed in the Law on Payment Services, transfer to the payee's payment service provider the difference, even without request of the payment service user for correct execution of the payment transaction;

3) if funds are transferred to a payee other than the one indicated in the payment order, the payer's payment service provider may, within the time limits prescribed in the Law on Payment Services, correctly execute the payment transaction even without the request of the payment service user for correct execution of the payment transaction, and the payee's payment service provider to whom the funds are wrongly transferred shall in any case, based on evidence submitted by the payer's payment service provider that made the error, return such funds (as recovery) to the payer's payment service provider without undue delay.

The return of funds under paragraph 1, items 1) and 3) of this Article shall take precedence over any other payment transaction from the payment account from which the recovery is to be made.

### **Liability of an Intermediary for Non-executed or Incorrectly Executed Payment Transactions**

The payment service provider shall be liable to the payment service user for a non-executed or incorrectly executed payment transaction even if the liability is attributable to an intermediary participating in the execution of that payment transaction among payment service providers.

### **Obligation to Trace Funds in Case of Non-executed or Incorrectly Executed Payment Transactions**

In case of a non-executed or incorrectly executed payment transaction, the payment service provider shall, regardless of the liability for correct execution of a payment transaction, on request of its payment service user, take immediate and adequate steps to trace the funds and notify the user about the outcome of measures taken without undue delay.

### **Liability for Using Unique Identifier**

If payment order is executed in accordance with payee's unique identifier referred in such order, it shall be deemed that this order has been correctly executed relating to payee determination irrespective of other data provided to payment service provider.

If unique identifier provided by the payment service user to payment service provider is incorrect, payment service provider shall not be liable for non-executed or incorrectly executed payment transaction.

In the case referred to in paragraph 2 of this Article, the payment service user shall be entitled to require its payment service provider to take any reasonable measures i.e. to provide it information on payment transaction monetary funds flow (e.g. on the payee's payment service provider and/or the payee).

The payment service provider may charge special fee to the payment service user for taking measures referred to in paragraph 3 of this Article, in the amount set out in the Price List.

In the event of non-executed payment transaction due to incorrect unique identifier referred in paragraph 2 of this Article, the payment service provider shall, immediately upon becoming aware thereof, return the amount of non-executed payment transaction to the payment service user.

### **Liability Exclusion due to Force Majeure or Law**

The Bank shall not be liable for incorrectly, non-timely executed and/or for non-executed payment transaction in the event of force majeure which has prevented the fulfilment of obligations or if payment transaction execution is prohibited under other regulation.

### **Users' Complaints**

The User shall take care of the reports received from the Bank, review them, and file complaint relating to any mismatch or contest of debts and/or claims in the report provide to it.

The User shall immediately notify the Bank on unauthorised, non-executed, or incorrectly executed payment transaction, and/or if he requires correct payment transaction execution, upon becoming aware of such payment transaction, but no later than 13 months from the date of account debiting.

In the event of entrepreneurs, the deadline for notification on unauthorised, non-executed, or incorrectly executed payment transaction, and/or request for correct payment transaction execution, may be filed within five days from the date of account debiting and/or from the date of order receipt by the Bank.

Upon the expiry of the period referred to in the previous paragraph, the User shall not be entitled to request the recovery of an incorrectly executed, unauthorised transaction if he has been provided by the Bank with the information on the respective payment transaction in accordance with the law.

### **Corrections on Account**

The Bank shall be authorised to make correction on account without any specific request by the User if errors have arisen from a failure by a Bank employee.

The Bank shall be authorised to make necessary corrections, issue appropriate orders, and implement changes on the Account to adjust the Account balance which would match the Account balance unless payment transaction were executed.

The User shall be notified by the Bank on the executed corrections through statement on balance and changes under the Account or by special notification.

## **VII PAYMENT ACCOUNT DEBITING WITHOUT PAYMENT ORDER**

The Bank will debit the User's account - without payment order, in the following cases:

- 1) in the process of enforcement and/or forced collection taken against the user, in accordance with the law;

- 2) for the purpose of collecting due fees for the Bank services, due claims based on loan approved by the Bank to the User, or other due claims of the Bank to the User;
- 3) in the event of filing bill of exchange for collection issued by the User if there are sufficient funds for the collection using the bill of exchange;
- 4) in other cases prescribed in the law.

The executed payment transaction referred to in paragraph 1 of this Article shall not be considered an unauthorised payment transaction and it shall have priority in relation to payment orders provided by the User to the Bank for execution.

## **VIII PROTECTION OF THE RIGHTS AND INTERESTS OF PAYMENT SERVICE USER**

If the payment service provider or electronic money issuer fails to comply with the provisions of the law, other regulations or general terms of business governing payment services or electronic money, good business practices relating to these services or obligations arising from payment service contracts and/or contracts concerning electronic money - the payment service user and/or electronic money holder are entitled to the protection of their rights and interests.

The procedure of protecting rights and interests of payment service users and electronic money holders shall be subject to provisions of the law governing the protection of financial services consumers which relate to exercising the protection of rights and interests of financial services consumers.

Provisions of the law governing the protection of financial services consumers shall apply accordingly to unfair contract terms and unfair business practice in the field of providing payment services and issuance of electronic money, including the procedure of their prohibition.

### **Right to Complaint**

The User shall be entitled to file claim to the Bank if he considers that the Bank is not in compliance with the provisions of the Law on Payment Services, general terms of business, or good business practice relating to payment services or obligations from agreement entered into with user.

The User shall be entitled to complain within three years from the date when his right or legal interest was breached.

The Bank shall provide the provider of such claim with a clear and understandable response to claim no later than within 15 days from the day of complaint receipt, and in such response it shall point out his right to file claim to the National Bank of Serbia.

In its business premises in which services are provided to users and at its web page, the Bank shall ensure the possibility of filing complaint, and/or enable the user to be informed on the manner of filing complaint and on the method of handling complaint.

### **The Right to Claim to the National Bank of Serbia**

If he is not satisfied with response to his complaint, or response has not been provided within the prescribed term, complaint provider may, prior to initiating legal proceedings, file claim in writing to the National Bank of Serbia.

Complaint provider may file claim within six months from the date of response receipt or the expiry of term for providing response.

The National Bank of Serbia shall notify claim provider on finding under such claim within three months from the date of claim receipt, and in more complex cases, such deadline may be prolonged by maximum three months, on which the National Bank of Serbia shall ensure to notify claim provider in writing prior to the expiry of original deadline.

### **Extra Judicial Settlement of Disputable Relation**

If the complaint provider is dissatisfied with response to his complaint or such complaint has not been provided to him within the prescribed term, disputable relation between complaint provider and financial service provider may be solved in extra judicial proceedings - mediation procedure.

After initiating mediation procedure, the user may not file claim thereafter unless this mediation has been completed in suspension or waiver, and if claim has already been filed - the National Bank of Serbia will stop proceedings thereunder and/or suspend the proceedings if mediation is completed in agreement.

Mediation procedure shall be initiated at the proposal of one of the parties in dispute which is accepted by other party. This proposal must also include deadline for the acceptance thereof, which may not be shorter than five days from the date of submitting such proposal.

Mediation procedure shall be confidential and urgent.

Parties in dispute may make decision to implement mediation procedure before the National Bank of Serbia or other authority or person authorised for mediation.

Mediation procedure before the National Bank of Serbia shall be free of charge for parties in such procedure.

Mediation procedure may be finalised with agreement between parties, suspension, or waiver

## **IX. CLOSING PROVISIONS**

The General Terms shall, together with agreement and application form/specific form of the Bank for specific payment services, Excerpt from the Price List, and Cut-off Time, comprise Framework Agreement on Payment Service Provision.

Signing Agreement/Application Form/signed form of the Bank for specific payment services, the User shall acknowledge that he is provided the excerpt hereof, that he is aware of the provisions of the General Terms and accepts the application thereof.

### **Agreement Amendments**

The Bank shall notify the User on any Framework Agreement amendments no later than 60 days before such proposed amendments come into force.

The Bank will electronically provide framework agreement amendments if e-mail address is available to the Bank, otherwise the delivery will be made by mail.

It will be deemed that the User accepts proposed amendments unless he has notified the Bank on his disagreement therewith until the date of the beginning of the application thereof.

The User shall be entitled to, prior to the date of the application of proposed amendments, terminate the agreement excluding the payment of any fee and other charges unless he/she disagrees with such amendments.

The User may require that the agreement provisions contrary to the information provided in the pre-agreement stage and/or unless the provisions relating to the information comprising the obligatory agreement element have been previously sent to the User - are determined null by initiating relevant legal proceedings.

### **Service Cancellation**

The User may unilaterally terminate the Framework Agreement, with 30-day notice period which shall start to run from the date of sending notification in writing on the termination to other party.

In the event of the termination by the User, he shall settle any due liabilities to the Bank and return cards and user identification within 8 days on the notification on the Agreement termination.

The Bank may unilaterally terminate the Framework Agreement, within 60-day notice period which shall start to run from the date of sending notification in writing on the termination to other party.

The Bank and the User may unilaterally terminate the Framework Agreement without any notice period if other party fails to be in compliance with the provisions of the agreement.

The Bank may also unilaterally terminate the Framework Agreement in other cases set out in individual agreement, the law governing contracts and torts or in other law.

### **Application of Regulations**

The applicable regulations and the Bank General Terms of Business, legislation, and other acts of the Bank governing operation with the Users shall apply to any issue not set out herein and in the agreement. These General Terms shall be an integral part of the Bank General Terms of Business.

The User acknowledges that it is aware of and fully accepts the Bank General Terms of Business.

The User acknowledges that he is informed on and that he has received the Excerpt from the General terms, Excerpt from the Price List, and Cut-off Times, which shall be an integral part of the Framework Agreement on Payment Services.

### **Dispute Resolving**

Mutual disputes will be solved by the Bank and the User in a mutual agreement, otherwise the court having territorial and in rem jurisdiction shall be competent court in accordance with the law.

### **Application of the General Terms**

These general terms shall apply to the users who have established business relation with the Bank, the subject whereof shall include payment services before these General Terms have come into force, as well as to users establishing business relation with the Bank after these General Terms have come into force.

If the provisions of agreements governing payment services under agreement relations of the Bank and User until coming into force of these General Terms are contrary to the provisions of the Law on Payment Services and/or the provisions of these General terms, such provisions of previously entered into agreements will not apply, but the provisions of these General Terms and other documents comprising the Framework Agreement will apply to them.

The General Terms shall come into force in **15 May 2021**.