

NOVABANKA



**GENERAL BUSINESS CONDITIONS OF
NOVA BANK AD PODGORICA**



Pursuant to the Article 88 of the Law on Banks ("Official Gazette of Montenegro", no.17/08, 44/10 and 40/11) and Article 84 of the Charter of Nova Bank AD Podgorica, The Board of Directors of Nova bank AD Podgorica, (hereinafter: "Bank"), on its IV regular Session, held on 08.07.2016., passed the following:

GENERAL BUSINESS CONDITIONS

INTRODUCTION

1. Variety of financial transactions dedicated to the Bank and necessity for their timely execution, as well as the need of maintaining of clear and obligatory cooperation between clients and the Bank, imposes the necessity of establishing General Business conditions of the Bank (hereinafter: "General conditions"), which client is introduced with upon opening of the account and maintaining any other kind of business cooperation with the Bank.
2. General conditions are applied on all types and forms of business cooperation between clients and Bank, unless is differently stipulated by concrete Contract which is concluded between clients and the Bank.

I GENERAL PROVISIONS

1. General business conditions define standard conditions relevant for business of the Bank with its clients, basic rights and obligations, basis of communication of the Bank and its clients, as well as other issues relevant for business between Bank and clients.
2. The purpose of these General conditions is maintaining of clear and obligatory rights and obligations for the clients and for the Bank concerning execution of business transactions and other communication.



3. Bank shall offer the widest specter of banking services to its clients, realizing their orders and enabling cooperation and help in their business which are based on principles of safety, confidentiality and good business praxis.
4. Besides contracts and General business conditions, provisions of general and particular acts of the Bank are applied on certain business relations. In that sense, General conditions fulfill stipulated conditions between clients and Bank, in accordance with the concrete Contract concluded between the Bank and the client.
5. In case of mutual incompliance, there are provisions applied which are determined by the Contract, then provisions determined by the acts of the Bank and at the end General conditions.
6. Bank shall consistently protect the secrecy of transactions, services, as well as data about client and in accordance with positive regulations and international banking praxis.
7. Bank shall not take any other obligations and responsibilities except those which are regulated by these General conditions unless something different is agreed.
8. Bank' s client shall have other rights and obligations defined by General conditions, other general and particular acts of the bank and contracts.
9. The obligation of the Bank and its employees is to execute timely and consciously clients orders and to protect their interests, in accordance with positive regulations and business rules.
10. General conditions have obligatory effect.
11. By signing the Contracts or other legal documents, client confirms that he is introduced with and that he accepts provisions of the General conditions.
12. Changes and amendments of these General conditions shall be adopted by the Board of Directors and they shall be passed only in written form.



13. All changes and amendments of General conditions shall be available to the client in integral and revised text.
14. If the Contract concluded between the Bank and the client is not stipulating anything else, Bank shall not take obligations and responsibilities outside the obligations and responsibilities which are defined by these General conditions.

II COMMUNICATION BETWEEN THE BANK AND CLIENTS

1. Communication of the bank and its clients include exchange of data, information, opinion and acts which are significant for the business cooperation of the Bank and its clients.
2. Bank and clients may communicate orally within their business cooperation but only written documents might have importance for their legal and material relations, unless is differently defined in the separate contract.
3. All documents in foreign language shall be submitted to the bank, on its own request, translated on Montenegrin, and verified by the authorized Court interpreter.
4. In process of mutual communication of the Bank and its clients, each party bears its own costs of that communication.
5. Client who considers that Bank is not respecting the obligations from concluded contract, may submit objection to the respective organizational unit or body of the bank responsible for passing decisions concerning objections. Bank is obliged to respond to the person who is objecting in reasonable time period, and latest within 30 days from the day of submitting the objections.
6. Place of execution for the Bank and client is residence place of the Bank.
7. Bank is responsible for the eventual failure of its employees in fulfilling contracted obligations towards the client and other persons who are engaged for fulfilling those obligations.
8. Bank is not responsible for the damage made to the client and which is caused by non-fulfillment or delay in execution of the clients order in cases caused by the the forces majeure such as war, natural



or ecological catastrophe, epidemic, cessation of delivery of electricity, cessation of telecommunications, as well as all other similar reasons which are not caused by the Bank's activity.

III BANK'S CONDITIONS FOR OPENING AND KEEPING CLIENTS ACCOUNTS

1. Bank shall open the accounts to the clients- residents and non residents (real, regular and foreign currency and etc.) in accordance with the law, its business policy and other internal acts.
2. Client is obliged to fulfill standard application form for the opening the account (so called application form) and client is obliged to provide for the insight and /or deliver to the Bank certain documentation which is defined by positive regulations and internal acts and rules of the Bank. Bank does not bear any kind of responsibility for legal validity of the documents submitted by the client.
3. All instructions which are given by the client to the Bank and which refer to the opening, managing and closing of the account must be in written form.
4. Application for opening of the account for legal entity as well as other accompanying documentation must be signed by the person who is authorized to represent that legal entity and signature must be verified by the stamp of that legal entity.
5. Application for the opening of the account for physical persons as well as other accompanying documentation must be signed by that physical person or by person to whom that person issues suitable authorization.
6. Number shall be assigned to every account, and owner of the account shall be provided with a document which identifies him as the owner of the account and which is valid with identification document.
7. Upon opening of every account, there must be authorized person to manage and dispose with the account, and identity of that person must be determined in a proper manner. Signature of this person must be on the specimen signature card in the Bank.
8. Upon preparation of authorized signatures, Bank shall inscribe full name and surname of the physical person whose signature is authorized, his residence place and other main data



from his ID or passport whose originals are submitted for the insight to the Bank and whose copies are enclosed.

9. Physical person - owner of the account may authorize more persons (proxies) to dispose with funds from that account. Signatures of the proxies are also authorized in the Bank. Owner of the account is obliged to introduce his proxies with the content of these General conditions.
10. Proxies for accounts are not authorized to transfer their power of attorney to third persons neither to close the account except in accordance with special power of attorney.
11. Authorized signatures of proxies are valid until they are cancelled in written by the owner of the account who authorized the proxy.
12. Client is obliged to inform the Bank without delay about change of any data which refers to him or proxies for his account (e.g. changes of his name, name of the legal entity, address, loss or limitation of business capability or about cessation of existence of the legal entity, cancellation of the power of attorney...), and these data is included in the the specimen signature card or in other documentation submitted by the Bank.
13. Client is also obliged to submit to the Bank verified copies of the documentation which prove those changes.
14. Bank is obliged by these changes only from the moment when information about changes are submitted to the Bank.
15. If client does not inform the bank about change of address, written notices of the Bank shall be considered as submitted if they are sent on the address which was last known to the Bank.
16. In the moment when Bank receives written information with appropriate evidence about death of physical person – owner of the account, all power of attorneys and other authorizations for managing and disposal of the accounts shall be annulled. After receiving this information, Bank shall allow managing and disposal of the account only according to the



judicially effective decision, and court decision or decision of some other respective body in accordance with the law.

17. Bank may perform collection of its due receivables by the client, no matter what is the basis for those receivables by charging any regular/current or fx account of the client which are opened in the Bank except special purpose accounts opened according to the special contracts.
18. Bank is authorized to dispose with funds on clients accounts in process of forced collection for the purpose of payment according to the enforceable and executive decisions of the Court or other state body as well as in other cases predicted by the regulations or by Contract concluded between Bank and the client.

IV INFORMING THE CLIENT

1. Bank is obliged to inform the client, on his own request, about balance on his credit or deposit account via regular monthly statement which client may receive via post or take personally in the premises of the Bank. On client's request, Bank may issue an extraordinary statement. Bank may inform the client about balance on account in other way which can be separately agreed.
2. Client has the right to make an objection about balance on account which Bank is obliged to reconsider.
3. Bank is obliged to ensure, on client's request, access to other data which may be available to the client in accordance with the law.
4. Bank, unless legal obligation to inform the client, in case of non existence of some special agreement, does not have any other obligations concerning informing the client, except those prescribed by these General conditions. Bank is not obliged to inform the clients about potential current losses nor to give advices and information without suitable client's order.



V EXECUTION OF THE ORDERS

1. Bank receives transfer orders, payment orders, collection orders from the client.
2. Orders are given in the written form. Orders which are given to the bank by the clients must be clear and unambiguous. Changes and amendments of the orders must be explicitly emphasized.
3. Bank shall control correctness of the fulfilled orders, the identity of the signatures of responsible persons on the orders and specimen card, as well as the balance on the account of the client who delivered transfer orders, i.e. possibility that these orders are executed.
4. If the order is delivered by the person who is not authorized for that or client delivers incorrectly fulfilled order or there is no enough funds for its realization, or clients account is blocked by the Central Bank of Montenegro, Administration for prevention of money laundering and terrorist financing, competent court or some other relevant state body, order shall be returned to the person, i.e. client who delivered it.
5. When client gives order for cash transactions, as well as order for funds transfer in equal amount or amount higher than EUR 15.000,00, identification of that person must be performed as well as control of the documentation about origin of the money, which is, in accordance with the Law on prevention of money laundering and terrorism financing and other regulations needed for above mentioned transactions.
6. Bank may, in accordance with the regulations and its internal regulations, accept permanent order from the client.
7. Bank shall not be responsible for non execution or delay in payment according to these permanent orders if:
 - a) saldo on clients account is not sufficient and/or
 - b) if instructions are not clear and /or
 - c) if invoice of third party or similar documentation are not clear and/ or not timely submitted to the Bank and/or



- d) if reasons for non execution or delay in execution are on client's side or on side of payment user and/or) in other cases which are out of control and influence of the bank.
8. Bank shall not be responsible, and within limits of relevant law, for the damage arisen from execution of the falsified and forged order.

VI OBLIGATION OF THE BANK RELATED TO THE CLIENT'S BUSINESS SECRECY

1. Business secret of the bank is considered to be, among others, acts, documents, data on its business, whose revealing to the unauthorized persons would mean or might influence harmful effect for interest of Bank's clients, and especially:
 - a) Data about owners and numbers of accounts opened in the bank
 - b) Data about approved loans, guarantees, and other activities concluded with the Bank's clients
 - c) Data about financial balance of the Bank's clients
 - d) Data about clients business via current and gyro accounts and data about balance on those accounts
 - e) Data about savings and other deposits, documentation of the loan users, guarantees of avals, shareholders and all other subjects which have business relation with the Bank and other data
 - f) Other data about the client which Bank acquired according to the providing services to the Bank's clients as well as other data and documents which are announced as business secret by general or particular acts of the Bank.
 - g) Members of the Bank's body are obliged to protect business secret as well as all employees in the Bank, no matter in which way they have found out for that secret.



2. Duty of protection of business secret shall last even after cessation of the function in the Bank's bodies, i.e after cessation of working relation in the bank.
3. There are some exceptions from obligation to keep the business secret if data are exposed according to:
 - a) the decision or request of the Central Bank of Montenegro, competent court, law enforcement and/or bodies who perform public authorizations when necessary in order to protect Bank's interest;
 - b) for the needs of the body responsible for prevention of money laundering and terrorist financing (Administration for prevention of money laundering and terrorist financing) in accordance with the regulations which regulate prevention of money laundering and terrorist financing;
 - c) to other persons, and based on explicitly written consent of the client
 - d) in relation to the process of execution on the clients property by the respective state body;
 - e) State, regulatory and control bodies of Montenegro in order to execute business from their responsibility (e.g. Fund for protection deposits can be allowed to access the data in accordance with the Law and alike)
 - f) Bodies founded by the banks in order to collect the data about total amount, type and efficiency in performing the obligations of physical and legal persons who are Bank's clients;
 - g) Members of the Group in which Bank operates in order to have insight into business operations of the Group
 - h) Data about number of accounts of legal entity and/or entrepreneur can be made available to the client's proxy who shall present court decision to the Bank or some other regulation which is prescribed by the law.
 - i) Data about solvency and credit indebtedness of the clients with that bank may be available to the other bank or member of the Banking Group for the purposes of credit risk management.



VII PLACEMENT OF THE BANK

1. Bank shall conclude Contracts on approval of the loans, issuing of the banking guarantees, opening loro and nostro letter of credits and perform other banking jobs in accordance with the Law, other regulations and its internal acts.
2. Relations between the Bank and clients are regulated by the contracts which are concluded in accordance with the law and other regulations and Bank's internal acts.
3. Basic criteria for disbursements of funds are successfulness of business and credit ability of the client, level of risk, economic justification of the disbursements as well as the scope and level of business cooperation between client and the bank.
4. Bank shall consider the every submitted request and inform the client about its decision within acceptable deadline.
5. Bank has the right to refuse to provide banking service to the client for whom is estimated that he does not fulfill conditions prescribed by the Law or by other regulations and Bank's internal acts.
6. For the purpose of approval of the placement, client has obligation to submit to the Bank the most safe instruments of the securization for regular settling the obligations toward the bank, and in accordance with the Law, business policy and Bank's acts.
7. Bank shall decide which means of securitization are the most safe for regular settling the obligations of the clients toward the bank.
8. When contracts between the Bank and clients stipulate certain means of securitization of Bank's receivables, costs of their constitution and eventual activation shall be taken by the client.
9. Client is obliged to bear all necessary and useful costs which have arisen according to the business relation or its connection, and specially costs of verification, and legal fees, taxes, insurances, etc.
10. Client is obliged that during its business relation with the Bank, submits to the bank, in accordance with the Contract or on written request of the bank, additional data and documentation which are significant for this relation.



11. Bank has right to unilaterally cancel its business agreement with the client in every moment, if client fails to submit requested data to the Bank without justified reason and in agreed deadline.

VIII OTHER BANKING JOBS

1. Bank, on the grounds of the permission of regulatory body of Montenegro, shall perform other business with securities in accordance with the law and Bank's general acts.
2. Bank shall perform securities business according to the concrete contract with the client, in accordance with the relevant laws and other regulations, its acts, application of the safety principle and confidence.
3. In securities business, Bank shall act in accordance with the orders and instructions of the clients. In case of any ambiguities, bank shall wait necessary instructions of the client. However, Bank can decide, in accordance with its discrete assessment, to act in accordance with existing instructions in which case Bank is not responsible for any eventual damage which client or third persons can endure as a consequence of such instructions which are not clear, precise or in any case contrary to these General conditions.
4. Bank may decide that partly or completely does not execute given order, i.e. to stop the execution of the given order in case that there is no adequate coverage on the client's account.
5. Any kind of objection on information submitted to the client concerning execution of transaction with securities, Client is obliged to submit immediately to the Bank, without any delay and by the fastest available means of communication.

IX INTEREST RATES AND FEES OF THE BANK

1. Bank shall charge interest, provisions, fees and tariffs in accordance with the Law, its business policy and other internal acts.



2. If it is not agreed otherwise by the Contract concluded with the client, interest charged by the Bank can be changeable and shall depend, among the others, from the business policy and other internal acts of the bank.
3. Bank is obliged to calculate and show effective interest rates on given loans and effective passive interest rates on received deposits as well as to inform the clients about interest rates in a manner prescribed by the regulation of the Central Bank of Montenegro.
4. Bank shall be allowed to pay the interest for the client who put his deposit in the Bank, if this is stipulated by the Contract between Bank and the client.

X RIGHT OF THE BANK AND CLIENT TO CANCEL THE CONTRACT

1. Bank shall have right to unilaterally cancel the Contract with the client, especially in cases when client:
 - a) submits incorrect data to the Bank
 - b) uses loan with other purpose
 - c) does not settle his obligations timely concerning principal, interest and fees
 - d) does not fulfill request of the Bank for providing or increasing means of collateral
 - e) does not fulfill obligations stipulated by the contract
 - f) in accordance with the contract or written request of the Bank, without justified reason, does not submit or refuses to deliver additional data or documentation which might have influence on business relation between the Bank and the client
 - g) in all other cases which are predicted by the separate contracts
2. In case of cancellation of the contract by the Bank, all client's obligations according to that Contract shall be considered as due.



3. Client has right to unilaterally cancel the Agreement with the Bank, if he previously settle all the obligations towards the Bank including fee for premature repayment, in accordance with positive regulations and internal acts of the Bank.

XI FINAL PROVISIONS

1. Besides these General conditions, client shall get pamphlet of the Bank, which, among the other things, contains general business conditions for certain Bank's products.
2. Client may ask for additional explanation from the Bank as well as instructions which refer to the application of the General conditions.
3. From the day when General conditions become effective, Bank is obliged to enter provision in all contracts that shall be concluded with the clients and which shall state that client is introduced with General conditions.
4. Positive regulations of Montenegro shall be applied to all legal regulations between the client and the Bank.
5. These General conditions may be changed or amended by authorized decision body which passed them or changed by new General conditions. Changes and amendments of these General conditions, as well as new General conditions, shall be applied after expiry of 3 days from the day when they are exposed in Bank's business premises.

CHAIRMAN OF THE BOARD OF DIRECTORS

Mr. Ahmet Erentok
