

## **BANK OF CHINA SERBIA A.D. BELGRADE BOARD OF DIRECTORS**

**No. 03/17**

**March 8, 2017**

Pursuant to Article 9 of the Law on the Protection of Financial Service Consumers (Official Gazette of RS, No. 36/2011 and 139/2014), Article 42 and Article 73, point 5 of the Law on Banks (Official Gazette of RS, No. 107/2005, 91/2010 and 14/2015) as well as Article 5.14. point 5 of the Articles of Association of the Bank of China Serbia a.d. Belgrade, the Management Board of the Bank of China Serbia a.d. Belgrade adopted the following document no. 03/17 on March 8, 2017:

### **GENERAL TERMS AND CONDITIONS OF OPERATIONS BANK OF CHINA SERBIA A.D. BELGRADE**

#### **1. INTRODUCTION**

These General Terms and Conditions of Operations of the Bank of China Serbia a.d. Belgrade (hereinafter: General Terms) determine the standard conditions of operating which the Bank of China Serbia a.d. Belgrade (hereinafter: the Bank) shall apply to all Clients of the Bank, general conditions for establishing a relationship between the Clients and the Bank, communication procedure between the Clients and the Bank and terms of doing business between Clients and the Bank.

Client, in the sense of these General Terms, refers to natural persons, natural persons engaged in commercial activity, legal entities and other enterprises registered and founded in accordance with the law, using products and services of the Bank and identified as such by the Bank. For natural persons, entrepreneurs and farmers – natural persons engaged in commercial activity (hereinafter: natural persons), terms of operating pursuant to the Law on the Protection of Customers of Financial Services shall be applied. These terms shall not apply to other Clients of the Bank.

The Bank is obliged to ensure that the Client is familiar with the General Terms by giving the Client adequate explanations and instructions that refer to the application of these terms related to particular financial service, as well as to, at the Client's request, deliver these terms in writing or on other permanent data storage medium.

The Client may learn about the General Terms at the business premises of the Bank or via its webpage [www.bankofchina.com](http://www.bankofchina.com).

The Bank undertakes to display the General Terms, as well as its amendments and supplements, at its business premises no later than 15 days prior to their application.

In case of conflict between an individual contractual provision agreed between the Client and the Bank and the provisions of the General Terms, contractual provisions shall apply.

Terms under which the Bank as a provider of payment services provides payment services to natural persons, entrepreneurs and legal entities, terms of opening and maintaining payment/current accounts, as well as terms of contracting additional payment services are determined by the General Terms of Providing Payment Services.

#### **2. PREVENTION OF MONEY LAUNDERING AND FINANCING TERRORISM**

The Bank shall be entitled to ask the Client for information needed to complete its legally prescribed obligations of preventing money laundering and financing of terrorism.

The Bank shall be entitled to delay or refuse establishing of a business relationship with the Client, to terminate such a business relationship, to delay or refuse the execution of a transaction by order or for the account of the Client, if so instructed under the anti-money laundering and financing terrorism regulations.

### **3. FORCE MAJEURE AND CASE OF FINANCIAL AND OTHER SANCTIONS**

Force majeure is an event which could not have been foreseen at the time of contract signing and which objectively cannot be and could not have been influenced by the parties (event that is unexpected, unusual and unforeseeable).

In case of inability to fulfil liabilities (case of force majeure) which arose after the signing of an agreement between the Client and the Bank, for which neither contractual party is responsible, the legal relationship shall end, i.e. the obligation whose fulfilment is impossible shall cease, as well as the obligation of the other party because the grounds for fulfilment have ceased to exist. The contractual obligation shall cease because its fulfilment has become impossible due to force majeure circumstances on account of which this contractual party is no longer liable. Economic or financial sanctions, applied by the Republic of Serbia, United Nations (UN), European Union (EU) and/or US Office of Foreign Assets Control (OFAC) (hereinafter: international sanctions) towards certain countries, natural persons and legal entities, shall be deemed a special type of force majeure. The General Terms especially regulate the manner of the Bank's handling of financial and other sanctions which may arise, and which are obligatory for the Bank pursuant to the rules of the Bank of China Group or regulations of the Republic of Serbia and other international state institutions aimed at limiting the use of financial means and/or payment transactions, in order to prevent activities which may result in violation of limitations imposed by financial sanctions.

The Client is obliged to provide the Bank, at its request, with all the necessary information and documentation about his/her business transactions, i.e. their ownership structure, in order for the Bank to be able to determine whether the Client's business activities could cause a breach or be interpreted as the Bank's breach of sanctions or embargos established by the Republic of Serbia, UN, EU and/or OFAC, all in order to prevent i.e. avoid breaches of such measures or sanctions and avoid liability for damages or other liabilities which could be inflicted upon the Bank for such breaches.

Pursuant to the above specified, the Bank reserves the right to, without the consent of the client, disable use of certain products and/or services which are under the sanctions regime, as well as account assets, partially or entirely for reasons established under the regulation which regulates prevention of money laundering and financing terrorism, i.e. actions pursuant to international sanctions, in line with the valid regulations and policies of the Bank of China Group.

### **4. COMMUNICATION PROCEDURE BETWEEN THE CLIENT AND THE BANK**

Communication between the Client and the Bank will be done as follows:

By direct delivery to the Client, delivery to the last known i.e. address reported to the Bank by the Client (residence/temporary residence or head office according to the data of the Business Registers Agency or another competent body's).

Notifications of the Bank will be considered duly delivered if sent to the last known address of the client that is known to the Bank on the day of submitting the written notification i.e. the day of sending the notification via permanent data carrier (medium).

The Client is obliged to without delay, and no later than 3 days following the occurrence of a change, inform the Bank about the change of his/her personal name, address, loss or change of employment, i.e. change of

head office or any other status change registered with the competent body and other elements which are of importance for his/her communication with the Bank and for settling his/her liabilities towards the Bank.

The Bank shall assume no legal or material responsibility for damages which may be inflicted upon the Client or third parties due to the Client's failure to deliver data determined in the previous paragraph.

The Bank and the Client may, as part of their business cooperation, communicate orally, but only written documents have relevance for their formal legal and material relations. The Bank shall assume no legal or material responsibility for damages which may be inflicted upon the Client due to the Client's failure to receive any of the Bank's notifications or letters which have been delivered to the last address of which the Client informed the Bank.

If the Client authorises a third party, the power of attorney must be precise and unequivocal as to which legal actions it refers. The Client must deliver to the Bank the original of the power of attorney verified by the competent body. In case the Client revokes the power of attorney or changes it, they are obliged to inform the Bank of this on the same day when these actions are undertaken. Revocation or change to the power of attorney shall have legal effect on the Bank on the day the Bank is informed of such actions. The Bank shall assume no legal or material responsibility for damages which may be inflicted upon the Client or third parties due to the Client's failure to inform the Bank about the changes related to the power of attorney. The Client's attorney-in-fact may not assign the power of attorney further, nor can it close the Client's account without a special power of attorney. Powers of attorney issued in a foreign language must be translated into Serbian by authorised court translators.

All written correspondence between the Client and the Bank, made by the Client shall be deemed received by the Bank only after the Client's copy of documents is verified with the Bank's stamp of reception or after a written confirmation of reception by the branch office where the account is kept is issued.

The Bank shall assume no responsibility in terms of originality, validity or completeness of the received documents, detrimental consequences which may arise from using written material unsuitable for such documents, exact interpreting or translating, or for any type, amount or nature of goods to which the documents refer.

Documents of foreign origin presented to the Bank as evidence of identity or authorisation will be carefully tested in terms of their adequacy pursuant to the obligatory laws and regulations and internal documents of the Bank. The Bank, however, does not take any responsibility in that respect outside the frames of rules on due diligence. The Bank may require from the Client to translate and verify a document of foreign origin with an authorised local translator prior to delivering it to the Bank.

Written correspondence from the Bank for the Client shall be deemed delivered, especially:

- a) if sent via email – on the day the email was sent as evidenced by a printed computer confirmation;
- b) if sent by sms – on the day the sms is sent as evidenced by a printed system confirmation;
- c) if sent via courier – upon the expiry of the usual time needed for courier delivery as evidenced by a certificate from the courier service;
- d) if sent by post – upon expiry of the usual time needed for the arrival of a shipment, including sending post to the address of a third party authorised to receive correspondence on behalf of the Client, pursuant to an explicit written statement of the Client delivered to the Bank in that sense.

The Bank may, in its own discretion and pursuant to banking practice, sent out securities, at the Client's risk, via insured or uninsured certified mail or with little declared value in the absence of Client's

instructions to do otherwise. Cheques and bills of exchange, unless otherwise envisaged in Client's instructions, will be sent by the Bank via uninsured certified mail.

## **5. CONTRACTUAL RELATIONSHIP BETWEEN THE BANK AND THE CLIENT**

Business is done between the Bank and the Client by signing adequate agreements, as well as providing services to the Client by the Bank without a signed agreement but with signing appropriate documents, orders and notifications which are integral parts of the service/transaction which the Bank provided, i.e. performed as instructed by or to the benefit of the Client. The agreement between the Bank and the Client shall be executed in writing.

The contractual obligation must be determinable i.e. determined. A financial contractual obligation is determinable with reference to its amount if dependent on contractual variable and invariable and fixed elements which are officially published (reference interest rate, consumer price index, etc.).

Mandatory elements of a loan agreement, deposit agreement, which are signed with retail clients, are determined under the Law on Protection of Financial Service Consumers and will be contained in the draft of the text of the agreement i.e. agreement which the Bank signs with retail clients.

Mandatory elements of agreements on opening and maintaining an account, which are signed with clients, will be defined under the Law on Payment Services and General Terms of Providing Payment Services, while mandatory elements of the agreement on permitted overdraft and agreement on payment card issuing are defined under the Law on Payment Services and the Law on Protection of Financial Service Consumers.

## **6. BANK SECRET AND DATA PROCESSING**

In the business relationship with the Client, the Bank will comply with the secrecy of client's information pursuant to the Republic of Serbia and acts of the Bank. Bank secret represents a business secret. The following is considered a bank secret:

- 1) information known to the Bank referring to personal information, financial position and transactions of Clients, as well as ownership or business relations of clients, of this or other banks
- 2) information on the balance and flows on individual deposit accounts of the client
- 3) other data obtained by the Bank in the course of doing business with clients

The following is not considered a bank secret:

- 1) public information and data accessible from other sources to interested persons with legitimate interest;
- 2) consolidated data that do not disclose individual client identity;
- 3) information on Bank shareholders and the amount of their participation in the bank's share capital, as well as data on other persons holding participation in the bank and data on such participation, regardless of whether they are the bank's clients;
- 4) information relating to timeliness in the fulfilment of the client's obligations towards the bank.

Obligation of keeping a bank secret does not exist if such information is revealed to: court and executive bodies, as well as government bodies and organisations pursuant to authorisations which are prescribed under the law, as well as associations established by the banks in order to collect data on the total amount, type and timeliness of fulfilment of obligations of natural persons and legal entities.

The Bank and members of its bodies, shareholders and employees, as well as the Bank's external auditor and other parties who, due to the nature of the activities they perform, have access to data specified in herein, may not disclose such data to third parties, use such data against the interest of the Bank and its clients, nor may they enable third parties to have access to such data. The Bank may reveal Client

information which is considered a bank secret to third parties only upon obtaining written consent of that Client, unless the law or contract stipulate otherwise.

The Bank is obliged to provide the Client, at their request, with information on the terms that refer to the reception of deposits, approving of loans. The Client shall be entitled to, at their own request, without a fee, obtain from the Bank, in writing and executed in an understandable manner, information, data and instructions which are related to their business relationship with the Bank.

Client expressly agrees that the Bank is authorized to provide all necessary Client information to the National Bank of Serbia, other banks and legal entities within its bank group and their auditors, Forum for Prevention of Abuse of Loan Operations, as well as that such information may be stored and kept in the Credit Bureau of the Association of Serbian Banks.

The Client expressly agrees that the Bank may obtain from other banks, whose services the client used, Reports on information about the Client's previous manner of using such services.

The Bank collects and processes personal information as part of the databases it forms and uses in the course of its business activity. The Bank collects and uses personal information of retail Clients, specifically: name and surname, date of birth, gender, personal identification number, number of ID card/passport, residence/temporary residence address, contact phone, email, data on employment, data on credit debt, and other data which the Client delivers to the Bank when establishing a business/contractual relationship. This information is processed by the Bank with the aim of successfully realising the business/contractual relationship, in order for the Bank to comply with the law and for purposes and in the manner necessary for performing bank activities. The Bank keeps and processes all the data as a business/bank secret, with the application of all available technical and organisational measures of data protection pursuant to the law and internal documents of the bank.

The Client confirms that, pursuant to the Law on Protection of Personal Information, they have been familiarised with the manner of collecting their personal data, and the Client agrees to this (electronically or via hard copy) processing, for the duration of their business relationship with the bank, and to storing them (in electronic or in hard copy) up to the legally prescribed deadline even after the cessation of this relationship. The Client shall be entitled to revoke, and in the case of revocation, they are obliged to compensate the bank for costs and damages, pursuant to the regulations that regulate damage liability. In case of revoking, all contractual obligations between the Client and the Bank become due on the day of the revocation. The Client has all legal rights in case of unpermitted processing of data, as well as the right to notification, review of the data and a copy of them.

Business premises of the Bank, where the said accounts are kept, represent place of execution of contractual obligations for both parties.

Unless expressly envisaged otherwise by the Bank in writing, relevant local regulations shall apply in regulating relations between the Client and the Bank, regardless of the place where court proceedings are initiated and/or conducted. Unless expressly envisaged otherwise by the Bank in writing, any dispute that arises from or related to the relationship between the Bank and Client (regardless of whether the Client is a legal entity or a natural person) will be resolved by the competent court under the law of the Republic of Serbia.

## **7. DEPOSITS**

The Bank accepts deposits that may be in dinars or foreign currency, short-term or long-term, with a notice period or without a notice period, without special purpose or with a special purpose. By signing an

Agreement on Term Deposit (hereinafter “term deposit”), the Client undertakes to deposit onto an account with the Bank the agreed amount of funds for a certain period of time. During this period, the Bank shall accrue interest to such funds at the agreed interest rate.

The Bank reserves the right to, pursuant to its business policy, prescribe minimal amounts of term deposits as well as terms. Minimal deposit amounts are defined in the Agreement on Term Deposit.

Duration of a term deposit, i.e. start and end date of the term, shall be set in the agreement. The Client shall not be entitled to handle term-deposited funds during the term of the deposit, unless agreed otherwise, pursuant to the type of term deposit.

In case of automatic extension of the term deposit of retail clients, the Bank is obliged to notify the Client about the term for which the deposit agreement is extended and the new interest rate at least 15 days prior to the expiry of the term, and the Client shall be entitled to terminate the agreement within 30 days following the reception of that notification at no charge and with interest agreed for the expired term period.

Term deposits shall end with the expiry of the term or with a written termination of the term deposit, unless the product description envisages redepositing.

Regular and automatic extension of the term deposit shall end after the Bank receives from the Client a written request for termination of the term deposit. The Client may at all times terminate the term deposit and freely handle all funds, by submitting a written request no later than 7 days prior to the requested termination of the term deposit in the branch offices of the Bank, at any time during the term. Upon termination of the term deposit, the Bank will credit to the Client’s account the principal amount, and interest only if the term is final, i.e. if this is envisaged under Agreement, pursuant to the type of term deposit. If the type of term deposit does not envisage otherwise, and the Client terminates the term prior to the expiry of the defined period, no interest will be accrued to the FX/dinar account. When accruing interest, income tax is collected, but only for FX deposits.

The retail Client may authorise another person for the account of the term deposit. The authorised person hence acquires the right to freely handle the deposit pursuant to the functionalities of the product itself as well as to perform early cancellation of the term deposit all pursuant to the provisions defined in the agreement between the Client and the Bank.

Detailed information about the type of the deposit, the minimum amount which the Bank accepts as a deposit, currency, criteria for indexing deposits, time period for which the Bank accepts deposits, closer determining of nominal interest rates and their gross amount on an annual level, as well as the criteria for changing the interest rate, is contained in the Term Deposit Agreement, and detailed information about all fees, commissions and costs which are borne by the Client are contained in the Tariff List of the Bank and Term Deposit Agreement.

The Bank shall send to the retail Client an offer with information about the specific type of deposit and overview of mandatory elements of the deposit and inform the Client that, at personal request, they can receive from the Bank a draft of the deposit agreement. When signing a deposit agreement with a retail Client, along with the agreement, the Bank will send one copy of the plan of deposit disbursement, as well as an overview of mandatory elements of the deposit containing basic information on the deposit.

When signing a term deposit agreement, the Bank will inform the Client about the basics of the system of insurance of the deposit and send them a brochure about deposit insurance with the Deposit Insurance Agency.

## **8. LOANS**

By signing a Loan Agreement (hereinafter: the “loan”), the Bank undertakes to disburse the approved loan amount to the Client under certain conditions and based on the assessment of creditworthiness, and the Client undertakes to, pursuant to the type of loan, deposit with the Bank the agreed amount of funds as collateral, or to provide the Bank with security for its receivables in terms of contractual authorisations, bills of exchange, guarantees, or right of lien over movable and immovable property, owned by the Client or a third party (Collateral).

Detailed information on the type of loan, minimum and maximum amounts approved by the Bank, time period for which the loan is approved, currency and criteria for indexing the loan, closer determination of nominal interest rates and their level on an annual level, criteria for changing interest rate, level of the interest rate in case of default, as well as the terms of early repayment of the loan, terms of termination of the agreement prior to the agreed time period, and the manner and terms under which the Bank may assign receivables from the Client, is contained in the Loan Agreement, and detailed information about all fees, commissions and costs borne by the Client, is contained in the Tariff List of the Bank and the Loan Agreement.

Prior to the signing of the agreement with a retail Client, an offer for signing the agreement is provided. At the signing of the loan agreement, the Bank shall deliver to the Client one copy of the loan repayment schedule, overview of mandatory loan elements, as well as, at the Client’s request, the General Terms of Operations that refer to the subject of the agreement.

After signing an agreement with a retail Client, the Bank is also obliged to deliver a copy of the loan agreement, repayment schedule and overview of mandatory elements, to the party which provided collateral, unless the Client is at the same time the provider of collateral or will become the owner of the item which is the subject of the mortgage or other lien based on the purchase and sale agreement for the realisation of which the loan amounts have been approved.

The Bank is obliged to inform the retail Client about the changes to the agreement which refer to the elements that are not mandatory, no later than 15 days prior to the start of their application. The Bank is obliged to provide such information and data to the Client at no charge. In special cases, if the level of the fixed interest rate or fixed element of the variable interest rate, as well as the level of fees and costs, change to the benefit of the retail Client, these changes may be applied immediately without their previous consent, though the Bank is obliged to inform the Client without delay about such changes and specify the date of their application. If the level of interest rate or fixed element of the variable interest rate change to the benefit of the Client, the Bank will also deliver to the Client, along with the notification, the amended repayment plan.

Unless agreed otherwise, the Client shall be entitled to repay the loan entirely or partially prior to the due date, under the condition that he/she informs the Bank about such an intent 7 days prior to the early repayment with the payment of the fee as defined in the agreement.

Pursuant to the provisions of the agreement with the Bank, and based on a written request submitted to the Bank, the retail Client shall at all times be entitled to repay the loan partially or entirely prior to the due date.

The Bank will provide its retail Clients information about the status of his/her debt under the loan agreement every six months at no extra cost.

## **9. COLLATERAL**

In order to secure its receivables, the Bank may ask for one or more security instruments to be provided by the Client. At the request of the Bank, the Client is obliged to deliver to the Bank other collateral during the term of the contractual relationship, up to the final settlement of the debt, if any of the collateral provided under the signed agreement is seized, loses its legal validity or changes value in such a way that it no longer provides sufficient security for the Client's obligations according to the assessment of the Bank.

The Client may also ask for a replacement of collateral in writing, and the Bank will decide about accepting such a request based on the assessment of adequacy of the offered collateral.

Property pledged to the Bank, as well as property and/or rights transferred to the Bank in the name of security, will serve as collateral for due settlement of any receivable which the Bank may have from the Client, especially receivables based on any type of loan, including given guarantees, discounted and accepted bills of exchange and letters of credit, except in the case when the provided asset is explicitly envisaged for securing due settlement of the a particular receivable and it cannot be used for purposes of securing other receivables.

In case the Bank has in its possession, based on provided collateral, an item which is owned by the Client, the Bank is not obliged to inform the Client about potential losses which may be incurred due to foreign exchange differences or due to change of market value of securities unless otherwise envisaged by the relevant laws and other regulations.

The Client is obliged to deliver the Bank at its own expense a new appraisal of the property based on which mortgage to the benefit of the Bank is provided as collateral, pursuant to the valid regulations, but at least once every three years, starting from the date the Client delivers the property appraisal to the Bank. The appraisal must be done by an authorised appraiser, assessor with suitable professional background, i.e. legal entity that is incorporated with the aim of performing the work of an assessor. If the new appraisal determines that the value of the pledged property has been significantly reduced, the Bank shall be entitled to ask the Client for one or several additional security instruments.

The Bank, at its own discretion, may waive the right of lien, which it considers unnecessary or inappropriate in the sense of securing its receivables from the Client.

If the Client fails to meet his/her obligations in the specified deadline and/or does not deliver the required collateral i.e. increase/replacement of it, the Bank is authorised to seize any of the collateral in line with the relevant legal regulations and with due respect of the Client's interests.

In case the settlement of certain receivables is secured by more than one security instrument provided by the Client or third parties, the Bank is authorised to select the order in which to seize them.

In the interest of a more efficient settlement, regardless of holding certain collateral, the Bank may initially try to settle its receivables from other property of the Client. Pursuant to the relevant laws and regulations, the Bank will inform the Client about the place, time and manner of seizing collateral.

In case the Client fails to settle obligations arisen from the business relation between the Bank and the Client, and especially in the case of starting the process of liquidation, enforced settlement and/or bankruptcy proceedings against the Client, all liabilities of the Client shall be considered immediately due.

The Bank is authorised to collect receivables, which serve as or are assigned in the name of collateral to the Bank, even prior to the due date of such secured receivables, pursuant to the relevant laws and other regulations.



The Client shall authorise the Bank to take all measures and actions or achieve agreement with the Client's debtors with the aim of more efficient collection of these receivables when realising receivables mentioned in the previous paragraph, without prior consultation with the Client.

The Client shall especially authorise the Bank to, with the aim of more efficient collection of receivables, agree to a delay of the due date or partial write-off of the debt or to conclude a settlement.

All costs arisen with reference to the obtaining, administration and realisation of receivables given in the name of collateral or costs arisen due to collection from common debtors (e.g. costs of storage, supervision, insurance premium, costs of reconciliation, legal procedure, etc.) shall be borne by the Client and the same will be collected off his/her account.

The retail Client, i.e. provider of collateral, has the right to, after each settlement of the Client's obligations towards the Bank, take over the unused collateral including security instruments that have been recorded in the appropriate register.

## **10. RIGHT TO A COMPLAINT**

The retail Client, as well as their provider of the collateral, has the right to file a complaint with the Bank in writing within three years from the day their right or legal interest related to this Agreement is violated, if they believe that the Bank is not complying with the provisions of the law, other regulations, General Terms of Operation or good business practice or contractual obligations. Within 6 months following the day of receiving a response from the Bank or expiry of the deadline within which the Bank was obliged to provide a response, the retail Client also may file a complaint to the National Bank of Serbia at the address of the National Bank of Serbia, Centre for Protection of Financial Service Consumers, P.O. box 712, or via electronic mail [zastita.korisnika@nbs.rs](mailto:zastita.korisnika@nbs.rs) if the Bank does not respond to the complaint within 15 days or if the Client is not satisfied with the response. The Client may also submit a proposal for mediation to NBS in order to reach out-of-court settlement of the dispute. Initiating and conducting the mediation procedure before NBS does not exclude or affect the Client's right to seek court protection.

The corporate Client may file a complaint to the Bank if it feels that the Bank is not upholding provisions of the law, contractual provisions, good business practice. The corporate Client may file a complaint to the National Bank of Serbia with reference to the Bank's operating all in line with the regulations and bylaws of the National Bank of Serbia.

## **11. CESSATION OF THE BUSINESS RELATIONSHIP**

The Client and the Bank may, at their own discretion, at any time, terminate their mutual business relation, except when agreed or legally prescribed otherwise.

Legal effect of the termination shall be immediate, unless agreed otherwise between the Client and the Bank.

Regardless of the agreed terms of Agreement termination, the Bank may terminate the business relationship and declare all Client's obligations towards the Bank due in the following cases:

- If the Client provided the Bank with inaccurate, untrue or incomplete information and documents;
- If the Client uses approved funds in an unauthorised manner;
- If the business or financial situation of the Client, legal entity, worsens or is seriously compromised in such a way that the Bank assesses it could have an adverse effect on the ability of the Client to settle its obligations in due time;

- If the Client does not fulfil the Bank's request for replacement or increase of existing collateral (in a situation when due to the changes with the Client or in the market, the existing collateral becomes inadequate);
- In case the Client fails to fulfil any of the obligations under signed contract between it and the Bank within 7 days following the due date of that obligation;
- If this is defined under anti-money laundering and financing terrorism legislative and according to international sanctions towards certain countries, persons and legal entities, which the Bank or the Bank of China Group undertook to uphold (explained in more detail under 2 and 3);
- In other cases envisaged by the contract between the Client and the Bank.

After the termination of the business relationship between the Bank and the Client and provided all obligations of the Client towards the bank have been settled, the remaining assets in any of the Client's accounts shall be made available to the Client.

The Bank is authorised to terminate obligations undertaken for the account and/or on behalf of the Client in the sense of issuing guarantees with adequate written notification, pursuant to the provisions of the law.

The Bank reserves the right to collect all receivables from the Client and other responsible persons based on bills of exchange and/or cheques in the sense of right to full compensation of subject amounts as well as accompanying receivables up to full coverage of possible overdrafts.

Provisions of the General Terms of Operations shall apply consistently after the termination of business relations between the Bank and the Client until all mutual rights and obligations have been fulfilled.

## **12. FINAL PROVISIONS**

The Tariff List of the Bank for retail clients – users of financial services is an integral part of the General Terms of Operations. These General Terms of Operation come into effect on the day of their passing by the Bank's Board of Directors, and shall apply 15 days afterwards.

President of the Board of Directors

Chen Huaiyu