

## GENERAL TERMS AND CONDITIONS OF THE MICROLENDING PROGRAM OF FIRST INVESTMENT BANK AD (APPLICABLE TO BANK CREDIT AGREEMENTS AND BANK OVERDRAFT AGREEMENTS)

### I. DEFINITIONS

1.1. For the purposes of these General Terms and Conditions (hereinafter GTC), the Agreement for bank credit (hereinafter the Agreement) concluded between the Borrower, the Co-Debtor and First Investment Bank AD (hereinafter the Bank) and all appendices thereto, the terms listed below shall have the following meanings:

a) „Basic Interest Rate (BIR)” shall mean a Reference Interest Rate based on the planned costs of the Bank’s liabilities, market interest rates on the interbank market, and the residual risks to which the Bank is exposed and which are beyond its control and management capabilities, calculated for each currency according to a methodology announced by the Bank. The BIR may be further adjusted with a corrective component (coefficient) reflecting the business risks and strategy of the Bank in relation to certain business segments, products, customer groups, etc. In cases where a corrective component (coefficient) is applied, the modified BIR is indicated by an additional acronym, as follows:

a. BIRce shall mean the BIR adjusted by a coefficient for general market environment;

b. BIRme shall mean the BIR adjusted by a coefficient for specific market environment for business customers;

c. BIRa shall mean the BIR adjusted by a coefficient for market environment for business customers with internal bank credit rating in the range of 1-2.

d. BIRb shall mean the BIR adjusted by a coefficient for market environment for business customers with internal bank credit rating in the range of 3-4.

e. BIRc shall mean the BIR adjusted by a coefficient for market environment for business customers with internal bank credit rating in the range of 5-6.

b) „Agreement” shall mean a written agreement concluded between the Bank, the Borrower and the Co-Debtor, by which the Bank is obliged to grant the Borrower a credit (overdraft) for a particular purpose and under agreed terms and conditions, and the Borrower is obliged to use and repay the credit (overdraft) together with the due interests, fees, charges and expenses under the terms and conditions of the Agreement and the present GTC;

c) „Insurance Agreement (Insurance)” shall mean an agreement concluded with an insurer previously agreed between the Bank and the Borrower, consisting of insurance policy/insurance certificate and General terms and conditions of the insurer.

d) „Credit” shall mean the total amount of the funds in national or foreign currency, made available by the Bank to the Borrower pursuant to the Agreement, irrespective of the way of provision and use of these funds, as well as the debt arising from and formed in connection with the principal outstanding, including payable interest, fees, commissions and other expenses under the terms of the Agreement and these GTC;

e) „Borrower” shall mean a legally qualified and capable individual and/or legal entity to whom the Bank has provided a bank credit, which is disbursed, used, and repaid within the terms and under the conditions provided in the Agreement and these GTC;

f) „Interest Period” shall mean the time between two payment dates,

payment dates being individually agreed upon in the repayment plan to the Agreement. The last interest period shall end on the date of final repayment of the loan;

g) „Savings-based interest rate (SIR)” shall mean a Reference Interest Rate based on the weighted average interest rate on term deposits in the banking system, calculated for each individual currency according to a methodology announced by the Bank;

h) „Collateral” shall mean any surety, guarantee, pledge or mortgage requested by the Bank and provided/secured by the Borrower/Co-Debtor/third party, which gives the Bank the opportunity, in the event of non-payment by the Borrower/Co-Debtor of an amount due under the Agreement, to collect that amount from the surety or guarantor, or by selling the pledged/mortgaged property;

i) „Overdraft” shall mean a credit which the Borrower uses in the form of exceeding the balance available on the Current Account, up to a limit, period of time, and under the conditions specified in the Agreement and these GTC;

j) „Base Interest Rate” is the base interest rate which is defined and announced by the Bulgarian National Bank (BNB).

k) „Working day” shall mean any day on which the banks in the Republic of Bulgaria work and carry out transactions;

l) „Debt Collection Costs” shall mean all costs incurred by the Bank to collect its claims in case of default under the Agreement, including but not limited to: costs of serving written loan acceleration notices through licensed postal operators, notaries or enforcement agents; state legal fees paid for writs, claims and enforcements; expenses for experts/special representatives in claim and enforcement proceedings; enforcement case costs and others.

m) „Current Account” or „the Account” shall mean the account specified in the Agreement, kept by the Bank in the name of the Borrower or Co-Debtor, to which the loan amounts are officially transferred by the Bank, and from which the principal, interest, commissions and other expenses due are repaid by the Borrower;

n) „Reference Interest Rate” shall mean the interest rate that the Bank uses as basis for calculating the variable interest rate applicable to the loan Agreement. The Bank shall publicly disclose Reference Interest Rates, such as Savings-based interest rate (SIR), Reference Interest Rate „Market environment” (RIRme), as well as the basic interest rates - BIR, BIRce (Reference Interest Rate for Agreements concluded before July 23, 2014), as well as the methodologies for their calculation, by announcing them on the Bank’s website at [www.fibank.bg](http://www.fibank.bg). In cases where market indicators or indices are used as Reference Interest Rates, the Bank shall indicate the respective public sources of information. The Reference Interest Rate shall be specified in the loan Agreement.

o) „Reference Interest Rate „Market environment” (RIRme) shall mean a Reference Interest Rate based on the weighted average interest rate on term deposits in the banking system and on certain market indices, calculated for each individual currency according to a methodology announced by the Bank;

p) „Co-Debtor” shall mean an individual or legal entity which, under Art. 121 and seq. of the Obligations and Agreements Act and Art. 304 of the Commerce Act, undertakes jointly with the Borrower to repay all

obligations arising from the Agreement and in accordance with these GTC. All references and provisions in the Agreement and these GTC relating to the obligations of the Borrower for securing and loan repayment, together with the interests, fees and other expenses due, shall also apply and be fully relevant to the Co-Debtor;

q) „Tariff“ shall mean the Tariff of fees and commissions of First Investment Bank AD, adopted by the Bank, including the Bulletin of Interest Rates applied by the Bank to bank accounts in local and foreign currency (hereinafter Interest Bulletin), together with all amendments and additions thereof as at the date of their application.

r) “The 3 month EURIBOR” shall mean the average interest rate under which representative group of banks in the Eurozone /the European Union member states which have adopted the Euro as their national currency/ provide one another 3 month deposits in Euro. The Bank updates the 3 month EURIBOR every working day in compliance with the actual 3 month EURIBOR published on the REUTERS page for the respective date.

s) “The 6 month EURIBOR” shall mean the average interest rate under which representative group of banks in the Eurozone/ the European Union member states which have adopted the Euro as their national currency/ provide one another 6 month deposits in Euro. The Bank updates the 6 month EURIBOR every working day in compliance with the actual 6 month EURIBOR published on the REUTERS page for the respective date.

1.2. Where the context so requires, the terms listed above in the singular may also be used in the Agreement and these GTC in the plural, without changing the meaning attributed to them.

## II. SUBJECT

2.1. These GTC shall regulate the terms and conditions for granting, utilization, securing and repayment of credits under the Microlending program of First Investment Bank AD and shall form an integral part of the Agreement.

## III. CONDITIONS FOR LOAN DISBURSEMENT

3.1. Loans shall be disbursed as set out in the Agreement, after signing the Agreement, establishment of the agreed collateral by the Borrower/Co-Debtor/third party, provision of the relevant certificates evidencing such establishment and proving the rights of the Bank as first-ranking creditor, and insuring the property pledged as collateral under the terms of the Agreement.

3.1.1. Upon conclusion of an overdraft agreement, the Borrower shall have the right to utilize funds from the overdraft up to the amount specified in the Agreement. The Bank may unilaterally terminate the right of the Borrower to utilize funds from the overdraft if the Borrower fails to fulfill his obligations under the Agreement or these GTC.

3.1.2. In case of payments exceeding the agreemental amount of the overdraft, made by order of the Borrower or officially by the Bank for repayment of fees, commissions or interests owed by the Borrower, the excess amount used shall be considered an unauthorized overdraft, which shall be immediately due from the Borrower.

3.2. After expiration of the time period for utilization of the credit specified in the Agreement, the obligation of Bank to disburse the unused amount of the credit shall be extinguished.

3.3. In agreements for overdraft, the time period for use of the overdraft shall be specified in the Agreement. After expiration of this period, the right of the Borrower to use an overdraft on his Current Account shall be extinguished.

3.4. Disbursement and repayment of loan amounts shall be reflected in the books of the Bank with value dates as follows:

a) the day of crediting the Current Account, or another account indicated by the Borrower, with the respective disbursement amount;

b) the day of debiting the Current Account with the respective repayment amount.

3.5. The Bank shall be entitled to refuse disbursement of funds under the credit, partially or in full, in the following cases:

3.5.1. When, as at the date of the respective disbursement, the collaterals provided by the Borrower/Co-Debtor/third party are not sufficient for securing their obligations under the Agreement.

3.5.2. When, as at the date of disbursement, the Bank has become aware of circumstances that could have material impact on the decision for granting the credit, including but not limited to information on inspections performed, reports filed, operative and/or investigative actions performed, criminal proceedings initiated against partners/shareholders of the Borrower and/or the Co-Debtor, data and/or information on inspections related to money laundering, terrorist financing and/or under the law on Forfeiture in Favor of the State of Illegally Acquired Assets, or others at the discretion of the Bank.

3.5.3. In case of non-compliance with any of the provisions under the Agreement or these GTC.

## IV. INTEREST, FEES AND COMMISSIONS

4.1. The Borrower shall pay the Bank annual interest, calculated on the outstanding loan principal, in accordance with the Reference Interest Rate for the respective loan currency, increased by a spread as set out in the Agreement. The Agreement may also provide for a fixed interest rate for the entire, or part of the loan term. Interest shall be charged only for the days of actual use of the loan.

4.1.1. The interest owed by the Borrower, determined in the Agreement, shall be paid periodically, according to the amounts and maturity dates detailed in the repayment plan – Annex to the Agreement. The amounts of the interest payments specified in the repayment plan are calculated on the credit principal based on the reference rates for the credit currency effective as at the date of the Agreement. They do not reflect the exact amount of interest due for each individual interest period and are of indicative nature only.

4.1.2. The Borrower shall pay the exact amount of interest due on the respective due date, as calculated by the Bank for each interest period, based on the Reference Interest Rate for the loan currency valid for each day of the Interest Period.

4.1.3. In case of change of the Reference Interest Rate of the credit, the agreed interest rate shall be adjusted accordingly as of the date of the change, without it being necessary to renegotiate the Agreement. In this case, the Bank shall have the right to unilaterally change the amount of monthly installments.

4.1.4. Where the loan Agreement provides for equal monthly payments and the agreed interest rate changes due to change in the Reference Interest Rate, resulting in any of the events below, the Bank may change the monthly payment amount and recalculate the repayment plan according to the agreed maturity date:

a) the share of interest payment exceeds 95% (ninety-five percent) of the monthly payment;

b) the equalization payment amount exceeds the monthly payment by more than 1/10 (one tenth) of the loan amount;

c) the loan term is shortened by more than 1/10 (one tenth) compared to the agreed maturity date.

The Bank shall notify the Borrower and the Co-Debtor of the changed monthly payment in accordance with these GTC, and provide them with the new repayment plan free of charge.

4.1.5. In the event of change in interest rate due to change in the Reference Interest Rate that does not result in the events described in item 4.1.4. above, the monthly payments of the loan shall remain the same, with the exception of the last monthly payment. The Borrower and the

Co-Debtor acknowledge and agree that the last monthly payment of the loan shall be an equalization installment, including the outstanding principal and taking into account the principal and interest actually paid, as well as the changes in the Reference Interest Rate.

4.1.6. If the conditions for applying preferential interest under the loan Agreement cease to apply, or if the loan interest is increased due to arrangements reached with the Borrower, the Bank shall recalculate the amount of monthly payments accordingly and change the repayment plan.

4.1.7. In the case of overdrafts, interest shall be charged on the actually used overdraft and collected on the last day of each month, regardless of whether it is a working day or not. Interest shall be collected by the Bank from the Current Account, in accordance with Section XII of these GTC.

4.1.8. Upon termination of the right of the Borrower to use an overdraft under the Agreement, the interest due from him shall be paid pursuant to item 4.1 - 4.3 inclusive of these GTC.

4.2. The Bank shall have the right to unilaterally change the interest rate under the Agreement in the event of substantial changes in the legislative, respectively regulatory provisions of the relevant supervisory authorities affecting the activity of the banking system and/or of the Bank, as well as in the event of substantial changes in the monetary policy the Central Bank, e.g. change in the official exchange rate of the Bulgarian lev to the Euro, devaluation of the lev, redenomination of the lev, and/or other changes in the market conditions, of which the Bank shall promptly notify the Borrower. Changing the interest rate shall automatically apply to the Agreement as of the date of the change, without the need to conclude an additional agreement with the Borrower.

4.3. In the event that a market index ceases to be calculated or undergoes a significant change, or any of the indicators used by the Bank in forming the Reference Interest Rates cease to be officially announced, then for the remaining term of the loan Agreement the Bank shall form the variable interest component based on another combination of officially published indicators or another market index, provided that at the date of change the total loan interest rate (defined as the sum of the variable component and the fixed premium) does not exceed the total loan interest rate calculated under the previous method. The change shall apply to the Agreement automatically, without additional agreements with the Borrower/Co-Debtor being necessary. The Bank shall announce the change by placing a notification on its website, as well as in its physical offices. The notification shall contain information on the new interest rate and the date of its entry into force.

4.4. In case of failure of the Borrower to fulfill any of his obligations under the Agreement and the GTC, the Bank shall have the right to increase the spread on the interest payable by the Borrower under the Agreement as from the date on which the term for fulfillment of the respective obligation of the Borrower has expired, or from the date on which the Bank has registered the non-compliance, if the fulfillment of the obligation of the Borrower has no specific term. If, despite the delay, the Borrower fulfills his obligations, the Bank may reduce the spread on the interest as from the date on which the Bank assumes that the Borrower has fulfilled his obligation under the terms of the Agreement.

4.5. The Bank may, at its sole discretion, capitalize accrued interest by adding it to the loan principal, for which the Borrower and the Co-debtor, by signing the Agreement, give express consent.

4.6. In connection with the disbursement, utilization, securing and loan repayment, as well as with the use of any other banking services related to the execution of rights and obligations of the parties under the Agreement and these GTC, the Borrower shall owe the Bank fees and commissions according to the current Tariff as at the date of their accrual.

4.7. All commissions, fees and other expenses payable to the Bank under the current Tariff, as well as the ones payable to third parties in relation

to the conclusion and implementation of the Agreement, including establishment, registration, amendment, renewal and cancellation of the collateral shall be borne by the Borrower. In case of early repayment, early collection or termination of the Agreement, such expenses shall remain due up to their final settlement, including by the order of forced execution, together with the legal interest thereon, and if they are already collected by the Bank – shall not be refundable.

4.8. Interest and other amounts due shall be calculated based on the actual number of days, accepting the year as consisting of 360 days.

## **V. LOAN REPAYMENT**

5.1. The credit used by the Borrower shall be repaid through the Current Account, in installments, each one with maturity and in the amount as specified in the repayment plan – Annex to the Agreement.

a) If an installment payment falls on a weekend day, it shall be collected by the Bank on the first working day after its due date, under the repayment plan.

b) If an installment payment falls on a weekday that is a public holiday, it shall be collected by the Bank on the same weekday, under the repayment plan.

c) If the final payment of a credit, respectively an overdraft, falls on a non-working day, the payment due shall be collected by the Bank on the same non-working day.

5.1.1. If there are any outstanding obligations under an overdraft agreement after its end date and closing of the overdraft, and in case a repayment plan has been agreed, except in the cases of item 5.1.1.1 and item 5.1.1.2, such obligations shall be repaid by the Borrower according to the repayment plan, an integral part of the Agreement. The final repayment date shall be specified in the Agreement.

5.1.1.1. If, on the day following the day of closing the overdraft, the debit balance (credit obligation) on the Current Account is less than the maximum authorized overdraft specified in the Agreement and the parties have not expressly agreed otherwise, the repayment plan shall be recalculated by the Bank depending on the outstanding amount, which shall be repaid by the Borrower/Co-Debtor according to a new repayment plan keeping the final repayment date specified in the Agreement. The Bank shall notify the Borrower/Co-Debtor of the number and size of installments, and send them the new repayment plan which shall be binding for the parties.

5.1.1.2. If, on the day following the day of closing the overdraft, the debit balance (credit obligation) on the Current Account exceeds the maximum authorized overdraft specified in the Agreement, the authorized amount shall be repaid by the Borrower/Co-Debtor according to the repayment plan – Annex to the Agreement. The excess amount shall become payable immediately and in full, considered overdue, and be charged interest pursuant to item 6.1.1 of these GTC.

5.1.2 In the case of outstanding obligations under an overdraft agreement after its end date and closing of the overdraft, and in the absence of an agreed repayment plan, the entire debit balance (credit obligation) shall be due immediately, considered in arrears, and accrue interest pursuant to item 6.1.1 of these GTC.

5.2. The amounts of the monthly installments specified in the repayment plan are calculated based on the Reference Interest Rates of the Bank for the credit currency effective as at the date of signing the Agreement. They do not reflect the exact amounts of the installments due for each individual interest period or the ratio between the principal and interest which are paid with each installment, and are of indicative nature only.

5.3. When a payment made by the Borrower is not sufficient to cover in full his obligations under the Agreement, those obligations shall be covered in the following order: 1. fees, commissions, penalties and expenses; 2. compensation for delay (interest for arrears, respectively interest for an unauthorized overdraft); 3. interest (remunerative); 4. principal, un-

less the parties have expressly agreed otherwise.

5.4. The Borrower shall have the right to repay early part or all of his obligations under the Agreement, for which he shall owe the Bank a commission for early repayment.

5.4.1. In the event that the Borrower unilaterally terminates an overdraft agreement pursuant to item 13.1 of these GTC before the expiry of the term for use of the overdraft specified in the Agreement, the Borrower shall owe the Bank a penalty according to the Tariff on the maximum amount of the overdraft under the Agreement.

5.5. Borrowers may repay early part or all of their obligations under the Agreement, provided that they have given express written notice to the Bank at least than 5 (five) working days before the early repayment date.

5.6. In the event of early repayment of part of the obligations of the Borrower under the Agreement, the Bank shall recalculate the amount of the interest due for the remainder of the period until full repayment of the loan.

5.7. By signing the Agreement, the Borrower expressly consents that the Bank may directly debit the Current Account with any amounts due under the Agreement, including interest, fees and commissions, on or after their due date, including to use for that purpose the Borrower's approved overdraft limit, if any.

## **VI. OVERDUE PAYMENTS**

6.1. Any amounts payable but overdue because of insufficient balance on the Current Account of the Borrower shall be referred in arrears and accrue interest according to the Tariff, starting from the day following the maturity date for payment of the respective amount, regardless whether the maturity date is on a working day or not.

6.1.1. In the case of overdraft agreements between the Bank and the Borrower, any amounts due which exceed the authorized overdraft limit shall be considered as unauthorized overdraft and be charged the respective interest according to the Tariff and the Interest Bulletin of the Bank. The unauthorized overdraft amount shall be immediately due from the Borrower.

6.2. Items 6.1. and 6.1.1. shall also apply in cases of early collection.

## **VII. OBLIGATIONS OF THE BORROWER AND THE CO-DEBTOR**

7.1. The Borrower shall be obliged to:

- a) use the approved credit only for the purposes provided in the Agreement;
- b) ensure sufficient funds on the Current Account for timely performing of the payments under the repayment plan – Annex to the Agreement, as well as any other amounts due to the Bank under and/or in connection with the Agreement.

1. If an installment payment falls due on a weekend day, the Borrower shall be obliged to provide funds on the Current Account no later than the first working day after its due date.

2. If an installment payment falls due on a weekday that is a public holiday, the Borrower shall be obliged to provide funds on the Current Account no later than the last working day before its due date.

3. If the final payment of a credit, respectively an overdraft, falls on a non-working day, the Borrower shall be obliged to provide funds on the Current Account no later than the last working day before its due date.

- c) keep regular accounting records, as per the Bank's request to provide it with any references and reporting documents relating to his financial condition and to the pledged collateral, all drawn up and duly certified as provided by law or as required by the Bank, as well as with any additional documentation concerning his activity for the purposes of the banking supervision;

- d) allow performing of inspections by employees of the Bank concern-

ing both the proper utilization of the credit funds, and the presence and condition of the pledged collateral, while providing them with the necessary assistance;

- e) immediately notify the Bank of any changes in the data declared by them to the Bank;

- f) immediately notify the Bank of the occurrence of events which create objective impossibility or cast any doubt upon his ability to fulfill his obligations under the Agreement;

- g) reimburse the Bank for all costs incurred by it for the collection of claims arising from the Agreement or its annexes.

7.2. Without the express prior written consent of the Bank the Borrower shall not:

- a) substantially alter the structure of his capital ownership;
- b) terminate, suspend or change the nature of his economic activity;
- c) dispose in any way of his fixed assets, unless to replace them for others of equal or greater value;
- d) to convert his activity or commercial enterprise, or transfer part or all of it in favor of third parties;
- e) to pledge in favor of third parties his receivables to accounts with the Bank.

7.3. By signing the Agreement and accepting these GTC, the Co-Debtor declares that he is qualified and capable to enter into, secure and meet the requirements of the Agreement and these GTC as a Co-Debtor under the terms of Art. 121 and seq. of the Obligations and Agreements Act and Art. 304 of the Commerce Act, and irrevocably and unconditionally undertakes:

7.3.1. to be jointly and severally liable for the entire amount of the Borrower's debt, as well as for all consequences arising from non-fulfillment of the obligations under the Agreement or these GTC, including for payment of interest, fees, commissions and expenses, as well as for payment of insurance premiums, e.g. for insurance of the mortgaged property;

7.3.2. upon failure to the Borrower to fulfill their obligations under the Agreement and these GTC, and without obligation of the Bank to first direct its claim to the Borrower, to voluntarily pay all amounts due, including interest, fees, commissions and expenses, as well as insurance premiums due, e.g. for insurance of the mortgaged property;

7.3.3. to be liable with all their movable and immovable property until final repayment of the obligations arising from the Agreement and under these GTC, without obligation of the Bank to file a claim against the Borrower within a certain period;

7.3.4. to promptly notify the Bank of any changes in the information or documents provided by them upon signing of the Agreement, or which may have motivated the Bank to enter into the Agreement.

7.4. In the event of default on any payment under the Agreement, the Bank shall be entitled to directly debit the amounts due to it from all accounts of the Co-Debtor kept in the Bank, including to use for that purpose any approved overdraft limits of the Co-Debtor, to which effect, by signing these GTC, the Co-debtor gives express consent.

## **VIII. OBLIGATIONS OF THE BANK**

8.1. The Bank shall be obliged to provide the approved loan to the Borrower as agreed in the Agreement and according to these GTC.

8.2. The Bank shall not be responsible for failing to perform its obligations under the Agreement in the event of an unforeseen or unavoidable event having occurred after the conclusion of the Agreement, due to force majeure.

## **IX. COLLATERALS AND INSURANCE**

9.1. To secure the claims of the Bank on the provided loan – principal, interest, fees, commissions and expenses, the Borrower and/or third par-

ties shall establish in favor of the Bank collaterals according to the Agreement.

9.2. All expenses for the evaluation, establishment, renewal and cancellation of the collaterals shall be borne by the Borrower.

9.3. The Borrower shall be obliged:

- a) not to perform any acts of disposal, not to establish property rights, or encumber in any other manner the collateral established in favor of the Bank, without its prior written consent;
- b) to maintain the collateral in a condition suitable for its intended use by performing all the necessary repair works, as well as to pay all required taxes, fees and expenses for its maintenance;
- c) not to perform or permit the performance of any actions that would restrict the rights of the Bank as a secured creditor, or reduce the value of the collateral.

9.3.1. In the event that the obligations of the Borrower under the Agreement are secured by a mortgage and/or pledge established by a third party in favor of the Bank, the Borrower shall ensure the fulfillment by the third party of the obligations under item 9.3.

9.4. The Bank shall have the right at any time to assess the market value of mortgaged/pledged property, for which the Borrower shall be obliged to provide it with the necessary assistance. The valuation shall be carried out at the expense of the Borrower, by a licensed appraiser previously agreed with the Bank.

9.5. After full repayment of all obligations of the Borrower under the Agreement, the Bank shall provide consent for release of all collaterals established in its favor under the Agreement.

9.6. By signing the Agreement, the Borrower gives his explicit consent and authorizes the Bank in its capacity of a third party beneficiary of the insurance, to insure the mortgaged/pledged property provided as collateral under the Agreement with an insurer agreed upon between the parties, including to sign an insurance agreement on behalf of the Borrower for an insurance amount not less than the value of the pledged/mortgaged property determined by the Bank under item 9.4. above against all the usual risks, including: fire, including the effects from extinguishing the fire, lightning, explosion, collision or falling of an aircraft, its parts or cargo, costs for removal of debris resulting from events covered under the policy, storm, hurricane, hail, torrential rain, fallen trees and branches, damage caused by the weight of natural accumulation of snow or ice, flooding caused by natural disasters, landslides or collapse of earth layers, earthquake, drench as a result of failure of plumbing, steam, sewage or heating installations and the devices integrated into them, as well as resulting from failure of sprinkler systems; vandalism/malicious acts of third persons, including malicious explosion and malicious arson, burglary or attempted burglary, for the duration of the Agreement.

9.7. The Borrower shall be obliged to sign an insurance agreement (insurance) or the provided insurance policy in connection with the concluded insurance agreement with an insurer agreed with the Bank, respectively to ensure its signing by the mortgage/pledge debtor.

9.8. The borrower gives his explicit consent and undertakes that the insurance agreement shall include the insurer's obligation to pay the amount of the insurance compensation to an account of the Bank in its capacity of a third party beneficiary of the insurance up to the amount of the outstanding part of the credit, including the payable interests, fees, commissions and expenses as at the date of the insurance event.

9.9. The Bank shall notify the Borrower of the owed insurance premiums and the maturity dates of the relevant payments at the beginning of each year of the term of the Agreement.

9.10. The Bank shall pay the insurance premiums due under the insurance agreement in the name and on behalf of the Borrower, by officially debiting the Current Account with the amounts due, for which the Borrower by signing the Agreement gives his explicit consent.

9.11. The Borrower shall be obliged to provide sufficient funds on the Current Account for payment of the due insurance premiums, with the Bank deducting the owed amounts once for each year of the term of the Agreement.

9.12. At any given time of the term of the Agreement the insurance amount shall not be less than the assessment of the collateral under item 9.4. above.

9.13. The borrower shall be obliged to sign a new insurance agreement, respectively to ensure its signing by the mortgage/pledge debtor no later than 5 (five) working days before the expiry of the currently active insurance agreement. In the event of default under the preceding sentence, the Bank shall be entitled to perform the necessary legal and factual actions related to the signing of a new insurance agreement, including to give an approval under Art. 201 of the Insurance Code and to sign in the name and on behalf of the Borrower under such conditions as it sees fit, for which by signing of the Agreement the borrower gives his explicit consent and authorizes the Bank.

9.14. The Borrower shall be obliged:

- a) to comply, respectively to ensure compliance with all conditions and requirements of the insurer under the insurance policy, as well as not to conduct or allow any actions or inactions which would lead to revocation or restricting of the rights of the Bank under the insurances;
- b) To ensure funds in a timely manner on the Current Account for payment of premiums, installments and other amounts, including tax on the premium, pursuant to the Law for Insurance Premium Tax;
- c) to immediately notify the Bank upon the occurrence of an insurance event;
- d) to present on time all necessary documents and to comply strictly with his obligations upon the occurrence of an insurance event.

9.15. In cases where the amount of the insurance compensation exceeds the amounts owed on the credit, the difference shall be paid to the insured person to his bank account with the Bank.

9.16. The Borrower gives his consent to the Bank, if necessary, to open in his name and on his behalf a Current Account with the Bank to which the amounts under the preceding item shall be transferred.

## **X. LOAN ACCELERATION**

10.1. The Bank may call the credit due and payable early and in full:

10.1.1. Immediately, by written notice to the Borrower/Co-debtor, delivered against signature by an employee of the Bank or served through a licensed postal operator, notary or enforcement agent in accordance with the Code of Civil Procedure, in the event that:

- a) bankruptcy proceedings are instituted against the Borrower, Co-Debtor (or a third party providing collateral to the Bank under the Agreement), or any of them is declared in liquidation;
- b) the Borrower or the Co-Debtor fail to fulfill their obligations under items 7.1, 7.2, or 7.3.;
- c) the Borrower or the Co-Debtor allow restrictions to be imposed on their ownership rights on real estate property, or any interdictions, legal weights and/or enforcement on such property;
- d) in the judgment of the Bank, the provided collateral becomes insufficient and, following an invitation, is not supplemented or replaced with another, according to the type, size, term and other conditions specified by the Bank;
- e) the Borrower has used the credit for purposes other than those stipulated in the agreement;
- f) deteriorating financial condition or solvency of the Borrower or the Co-Debtor, which in the judgment of the Bank undermines their ability to meet their obligations under the Agreement;

- g) cessation of the activity of the Borrower for more than 15 days, unless the Bank has been notified in advance by the Borrower within a reasonable timeframe and the Borrower has taken the necessary actions to ensure the fulfillment of his obligations under the Agreement;
- h) establishing of public obligations of the Borrower, Co-Debtor and/or of a third party providing collateral under the Agreement, according to the procedure and conditions envisaged by law;
- i) failure to fulfill a due obligation of the Borrower or the Co-Debtor to a third party which lasts for more than 15 days;
- j) the Borrower has refused or failed to provide access to movable or immovable property, subject to security under the Agreement;
- k) the Borrower or the Co-Debtor cannot be found on the mailing address specified in the Agreement and the Borrower has not informed the Bank of a change in this address;

l) restrictions are imposed on the ownership rights of property owned by a third person which is mortgaged/pledged to the Bank, respectively in case of any interdictions, legal weights and/or enforcement on such property.

10.1.2. By written advance notice to the Borrower, for a term determined by the Bank, delivered against signature by an employee of the Bank or served through a licensed postal operator, notary or enforcement agent in accordance with the Code of Civil Procedure, in the event that:

- a) the Borrower or the Co-Debtor default, partially or in full, on any payment under the Agreement (do not ensure sufficient balance on the Current Account) for more than 5 (five) working days after the date on which such payment has become due;
- b) the Borrower or the Co-Debtor do not make any payment under another credit facility granted by the Bank, by another bank, or by another person for more than 5 (five) working days after the date on which such payment has become due;
- c) the Borrower or the Co-Debtor have provided false data or inaccurate information, which has motivated the Bank to conclude the Agreement and grant the credit, as well as in case of identified irregular accounting records pertaining to the granting of the credit;
- d) the employment/service agreement of the Borrower or the Co-Debtor is terminated, except in the case of entering into a new employment/service agreement, or concluding of a civil or management agreement with compensation equal to or greater than that under the terminated employment/service agreement;
- e) the Borrower or the Co-Debtor violate any other condition under the Agreement, these GTC, or the collaterals provided.

10.2. In the event that, by expiration of the written notice under item 10.1.2., the Borrower/Co-Debtor fulfill their due obligations or eliminate the admitted violations, the Bank shall not accelerate the loan.

## **XI. DEFAULT**

11.1. In the event that the Borrower or the Co-Debtor fail to fulfill any of their obligations under the Agreement and the present GTC within the set time limit and/or the credit is called due and payable early and in full under these GTC, the Bank shall have the right to:

- a) suspend granting of the undisbursed loan amounts;
- b) indemnify itself at its own discretion from all collaterals simultaneously, or from one or several of them, in the order provided by law;
- c) make the Borrower's and/or the Co-Debtor's data available to third parties whom the Bank has commissioned with the collection of its receivables under the Agreement or who, by virtue of a law or regulation, maintain a public register of defaulting debtors, to which by signing the Agreement the Borrower and the Co-Debtor give their unconditional and irrevocable consent;

d) collect without court intervention its due receivables, including principal, interest, commissions, fees, Debt Collection Costs (if any) by directly debiting any accounts of the Borrower/Co-debtor kept with the Bank as stipulated in Section XII of these GTC, and/or to offset such receivables against any obligations of the Bank to the Borrower/Co-debtor.

11.2. In case of overdue payments on the part of the Borrower for more than 30 days or in the event of an extension of the term of the Agreement and/or a change in the Agreement as a result of which the Borrower receives concessions in the form of grace periods and/or reduction of already agreed payments to the Bank for part or the entire term of the loan, the Bank may:

- a) unilaterally change part or all interest rates, fees or commissions agreed at terms more beneficial for the Borrower than the ones set in the Tariff, for all services and products of the Bank used by the Borrower;
- b) where the Borrower has agreed with the Bank reduction of interest rates, fees or commissions on credit facilities used by the Borrower, increase the same to the amount initially agreed between the parties, starting from the date of default, respectively from the date of granting the concessions mentioned above.

11.3. The Debt Collection Costs incurred by the Bank shall become an integral part of the Borrower's/Co-debtor's obligations under the Loan.

## **XII. OFFICIAL COLLECTION**

12.1. By signing the Agreement, the Borrower and the Co-debtor give express and irrevocable written consent and authorize the Bank to officially collect all amounts due under the Agreement, including all collection costs (if any), by directly debiting any accounts kept in their name with the Bank in national and foreign currency, including up to the limit of overdrafts provided, and also including deposit accounts of the Borrower/Co-debtor, regardless of the terms of specific deposit agreements. In cases under the previous sentence, all consequences of violating the deposit terms shall be borne by the Borrower/Co-debtor, respectively. In case of directly debiting accounts of the Borrower/Co-debtor kept in a currency other than the loan currency, the Bank shall apply its exchange rate for the day, any exchange costs being borne by the Borrower/Co-debtor. The Bank shall notify the Borrower/Co-Debtor of the reasons, amounts and dates of such official collection with the respective account statements.

12.2. Should the Bank proceed with the official collection of amounts owed to it pursuant to item 12.1. from bank accounts of the Borrower or the Co-Debtor which are in another currency, the exchange rate of the Bank for the respective currency for the date of performing the transaction shall apply.

## **XIII. TERMINATION**

13.1. The Agreement shall be terminated:

- a) by mutual agreement of the parties expressed in writing;
- b) unilaterally by the Borrower – by written request to the Bank, provided that the Borrower has repaid in full his obligations under the Agreement prior to the date of its termination, and in the case of a conditional loan – provided that all obligations under the credit facilities secured by the Agreement have been repaid in full, and that no credit facilities are present (loans, overdrafts, bank guarantees, letters of credit, etc.) secured by the Agreement, whose term of maturity/validity has not expired.

13.2. In the cases under item 13.1 the Agreement shall be deemed terminated:

- a) under letter „a“ – from the date of reaching an agreement between both parties for its termination, or from another date fixed by mutual consent between the parties;



b) under letter „b” – from the date of full repayment of the Borrower's obligations under the Agreement and under the credit facilities (loans, overdrafts, bank guarantees, letters of credit, etc.) secured by the Agreement.

#### **XIV. DECLARATIONS**

14.1. By signing of the Agreement, the Borrower and the Co-Debtor declare that:

- a) the documents and information provided by them in relation to conclusion of the Agreement are valid, accurate and comprehensive;
- b) they are not party to court, arbitration or administrative proceedings, and are not aware of any pending or possible property claims of third parties that could have a material adverse effect on their ability to perform their obligations under the Agreement;
- c) no event has occurred, or is likely to occur in the near future, that could have a material adverse effect on their ability to perform their obligations under the Agreement;
- d) they give their consent to the Bank to transfer its receivables from them, arising from the Agreement, to third parties.

14.2. The Borrower and the Co-Debtor state their knowledge of the fact that declaring of false or incomplete facts and circumstances constitutes grounds for: 1) material liability claims; 2) calling the credit fully due and payable; and 3) inclusion of the Borrower in the BNB register of defaulting debtors, or in another similar register maintained by a third party by virtue of a law or regulation.

#### **XV. APPLICABLE LAW AND DISPUTE RESOLUTION**

15.1. For any unsettled issues in the Agreement or these GTC, the current banking regulations and the other applicable normative acts of the effective Bulgarian legislation shall apply.

15.2. Any disputes arising between the parties in relation to the implementation or the interpretation of the Agreement and these GTC, shall be resolved by mutual consent, and in case such cannot be reached – by the competent Bulgarian court.

#### **XVI. PROCESSING AND ACCESS TO DATA**

16.1. By signing of the Agreement, the Borrower and the Co-Debtor give their unconditional and irrevocable consent to the Bank to perform checks and obtain any tax and insurance information within the meaning of Art. 72 of TSIPC from the revenue authorities, respectively from public executors, regardless of the form, type, quality and representative powers with which they are registered, in cases of:

- a) failure to fulfill any of the obligations under the Agreement;
- b) calling by the Bank of the credit due and payable fully or in part, under the conditions specified in the Agreement.

16.2. The parties to the Agreement agree that the consent of the Borrower and the Co-Debtor under the preceding item shall be considered valid authorization of the Bank in respect of all registered tax entities related to them, regardless of the form, type, quality, and representative powers with which they are registered, or the territory of the revenue authority, respectively public executor, and that this consent is given pursuant to Art. 74, para. 2, item 1 of TSIPC.

16.3. The Borrower/Co-debtor give their consent to the Bank to process the personal data provided by them for the purposes and in fulfillment of agreements whereby the Bank assigns its claims in accordance with item 17.4. and item 17.5. below, as well as for the purposes of collection of claims in the cases under item 11.1., letter “c” above, including to provide such personal data to third parties - assignees/new creditors under such assignment agreements, or parties to whom the Bank has outsourced the collection of its claims.

16.4. As a personal data controller, First Investment Bank AD acts in ac-

cordance with the Bulgarian and EU legislation, including the requirements of Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation, GDPR), applicable from 25 May 2018. Customers' personal data are processed lawfully and in the presence of at least one of the conditions under Article 6(1) of GDPR.

The Bank provides each customer with an information sheet on the processing of personal data, containing the information required by law and under Articles 13 and 14 of GDPR, as well as Information in connection with the protection of personal data when granting loans. Where necessary, the Bank updates the information provided, making the latest version available at any time on paper or other durable medium in its banking offices and on its website at: [www.fibank.bg](http://www.fibank.bg).

16.5. By signing the Agreement, the Borrower and the Co-Debtor authorize the Bank, in accordance with the Personal Data Protection Act (PDPA), to receive on their behalf information from the National Insurance Institute, the revenue authority, respectively the public executor or any other personal data administrator under Art. 3, para. 1 of the PDPA, on the personal data declared by them before the Bank at the time of, or in connection with the conclusion of the Agreement, until the complete fulfillment of their obligations under the Agreement.

16.6. By signing the Agreement, the Borrower and the Co-Debtor give their consent to the Bank to process the personal data received by it for the purposes of banking supervision.

#### **XVII. ADDITIONAL PROVISIONS**

17.1. The amount of the obligations of the Borrower and the Co-Debtor under the Agreement shall be established on the basis of the entries in the accounting books of the Bank.

17.2. All appendices, annexes, correspondence, as well as any other formal written statements of the parties relating to the implementation and interpretation of the Agreement shall form an integral part of it.

17.3. The Bank reserves its right to unilaterally amend these General Terms and Conditions, of which it shall promptly notify its customers by their distribution in writing in the offices of the Bank or through its Internet site.

17.4. The Bank shall have the right, at its own discretion, to assign its claims from the Borrower to a third party. The Bank shall be obliged to notify the Borrower and the Co-Debtor of the new creditor, and the transfer shall have effect against them with their notification by the Bank.

17.5. The Borrower and the Co-Debtor give their consent to the Bank and authorize it upon transferring of the claims to provide the new creditor with any information relating to the Agreement, including personal data or information constituting a bank secrecy.

17.6. In case the claims of the Bank under the Agreement are transferred to a new creditor, the Borrower and the Co-Debtor give their unconditional and irrevocable consent that the Bank collects on behalf of the new creditor all amounts due under the Agreement – principal, interest, penalties, commissions, fees, expenses and Debt Collection Costs, according to the order for official collections of the Bank.

17.7. Should any provision of these GTC be declared null and void, this shall not affect the enforceability of the remaining provisions of these GTC.

#### **XVIII. CORRESPONDENCE AND NOTIFICATIONS**

18.1. The correspondence between the parties shall be conducted in writing to the addresses, including electronic addresses, of the Borrower, the Co-debtor and the Bank referred to in the Agreement. All notifications between the parties shall be considered duly received if they were sent to the address, including electronic address, indicated by the respec-

tive party. In case of change of their address, the Borrower and/or the Co-debtor/s shall be obliged to immediately notify the Bank. Failing that, all notices, invitations and messages sent by the Bank to the address indicated in the Agreement shall be deemed served.

18.2. Each party shall ensure receipt of notifications sent to it by another party to the Agreement, to the respective address, including electronic address, specified in the Agreement. The parties agree that as far as their relations under the Agreement and the GTC are concerned, any message, notice, communication, invitation, or others sent to the address of the respective party by registered letter/email, shall be considered received on the date referred to by the mail service or courier as date of delivery, regardless of whether they were actually received or not, and shall give rise to all legal consequences associated with that receipt. This stipulation shall also apply to the service of notary invitations and court documents, unless the respective party has expressly notified the other party of change of the address indicated above.

18.3. The Bank shall notify the Borrower, respectively the Co-debtor, and provide them with loan related information, including repayment plans and others, by sending/making available notifications, notices, messages and other electronic statements by e-mail, through the Borrower's profile in My Fibank electronic banking, with the account statements, by SMS messages to the mobile phone numbers specified by the Borrower/Co-debtor, as well as on the Bank's website. The same information shall also be provided free of charge in the Bank's offices upon request.

18.4. In the event of legal proceedings in a dispute arising in connection with the conclusion, performance, interpretation or termination of the Agreement, the addresses of the parties indicated therein shall be considered addresses for service within the meaning of Code of Civil Procedure for servicing of summons and court messages, unless one of the parties expressly notifies the other of a change of its address.

These General Terms and Conditions have been prepared pursuant to Art. 298 of the Commerce Act, adopted by First Investment Bank AD, amended and supplemented by resolution effective 01.10.2025.