

GENERAL TERMS AND CONDITIONS OF THE CONFIRMING SERVICE

1. Introduction

1.1. The General Terms and Conditions of the Confirming Service (hereinafter: the General Terms and Conditions) regulate rights, duties and conditions for arranging and using the Confirming service. General Terms and Conditions govern a business relationship between Intesa Sanpaolo Banka d.d. Bosna i Hercegovina (hereinafter: the Bank) and a customer - legal entity that arranges the Confirming service (hereinafter: the Customer).

1.2. The Bank retains the right to change and amend the General Terms and Conditions in accordance with valid regulations and its business policies. The Bank is obliged to send a written notification thereof to the customers within min. 15 (fifteen) days prior to any such change. The notification shall be delivered through the Bank's distribution channels (by regular mail, by means of a Notice that is an integral part of the Account Statement, by e-mail, etc.). Information on the effective business conditions shall be available at all the Bank's branches and its website. If the Customer chooses to reject the amendments to the General Terms and Conditions, it is required to notify the Bank in writing accordingly within 15 (fifteen) days upon receipt of the Bank's written notification. Having received the Customer's notification on non-acceptance, the Bank is entitled to cancel the said service.

2. Basic terms

2.1. **Bank** - shall mean Intesa Sanpaolo Banka d.d. Bosna i Hercegovina

2.1. **Confirmed Receivables** are Receivables uploaded by the Buyer to the Platform and in relation to which the Buyer issues a Payment Confirmation to the Bank;

2.2. **Confirming Program** is the supply chain finance program of the ISP Group aimed at optimising the management of payments from buyers to suppliers participating in the program, with an option of redeeming such receivables;

2.3. **Confirming Services** shall mean either of the following two services:

a) services provided by the Bank to the Buyer in line with the Confirming Agreement with the Buyer;

b) services provided by the Bank to the Supplier in line with the Confirming Agreement with the Supplier;

2.4. **Platform** is the IT Platform that enables buyers, suppliers and banks of such buyers and suppliers to use the Confirming services.

2.5. **Confirming Agreement with the Supplier/Buyer** is a framework agreement concluded between the Supplier/Buyer and the relevant Bank of that Supplier/Buyer for the provision of Confirming services by the Supplier's Bank to the Supplier, i.e. for the provision of the Confirmation service by the Buyer's Bank to the Buyer;

2.6. **Credit Note** means the sum due for any reason by the Supplier to the Buyer and that is used to reduce the Confirmed Receivables, prior to their payment;

2.7. **Credit Note Instructions** shall mean the Buyer's

request for the payment of the Confirmed Receivables net of the Credit Note;

2.8. **Debt acknowledgement** means the acknowledgement, undertaking and statement provided by the Buyer.

2.9. **Intesa Sanpaolo** means Intesa Sanpaolo S.p.A., a bank duly incorporated under the laws of Italy and having its registered office at Piazza San Carlo 156, Turin (Italy);

2.10. **CIB Bank** means CIB BANK LTD., a bank incorporated under the laws of Hungary with its registered office at Medve u. 4.-14, 1027 Budapest, Hungary;

2.11. **ISP Group** means Intesa Sanpaolo and its related entities;

2.12. **Maturity Date** means the date when the Receivables fall due as set out in the relevant Payment Confirmation, i.e. when receivables are payable;

2.13. **Maximum Amount** means the maximum amount up to which the Bank is ready to accept Payment Confirmations;

2.14. **Payment Confirmation** means the payment confirmation given by the Buyer to the Bank for the payment of the Confirmed Receivables;

2.15. **Platform** means the IT platform through which the Supplier and Buyer can use the Confirming Services; the use of the Platform is subject to execution of a specific agreement between the Bank and the Supplier/Buyer;

2.16. **Login data or credentials** are personal electronic codes assigned to the Platform user.

2.17. **Operational Handbook** is a technical document for accessing the Platform and use of the Services that the Bank provides to the customer by e-mail or directly via the Platform.

2.18. **Receivables** are existing outstanding short-term receivables that are due for collection within a maximum of 180 days for the FBiH or a maximum of 365 days for the RS or a maximum of 180 days for the BD, from the date of delivery of goods and/or provision of services, arising from the realised foreign trade of goods or services on the basis of the Supply Agreement, that the Supplier has towards the Buyer, including all auxiliary rights.

2.19. **Redemption of receivables** or factoring is redemption of Confirmed receivables by the Supplier's Bank, without recourse, as well as any further transfer of such Confirmed Receivables by the Supplier's Bank to CIB Bank and by the CIB Bank towards any other counterparty (including the Bank);

2.20. **Redeemed receivables** are the Receivables that the Bank redeems from the supplier, i.e. receivables that the Supplier assigns to the Bank;

2.21. **Non-redeemed receivables** are the receivables that the Supplier's Bank will not redeem from the Supplier under the Supplier Agreement.

2.22. **Supplier** means the Proposed Supplier that has been approved by the Supplier's Bank and has been admitted into the Confirming Program subject to having concluded the agreement with the Supplier's Bank;

2.23. **Buyer** means an entity that owes one or more receivables to the Supplier and has been admitted to the Confirming Program by entering into a Confirming Buyer Agreement with the Buyer's Bank;

2.24. **Supplier's Bank** is a bank that has concluded the

Supplier's Confirming Agreement with the relevant Supplier for the provision of confirming services; The Supplier's Bank may be a bank belonging to the ISP Group;

2.25. **Buyer's Bank** means the bank that has entered into a Confirming Buyer Agreement with Buyer; the Buyer's Bank may be the Bank or another bank belonging to the ISP Group;

2.26. **Supply Agreement** means an agreement on provision of services and/or delivery of goods concluded between the Buyer and the Supplier.

2.27. **Framework Confirming Agreement** is a framework agreement on functioning of the confirming platform and risk sharing that the Bank has concluded with Intesa Sanpaolo, CIB Bank and other members of the ISP Group to regulate relations between banks in the Confirming program, provision of Confirming services via the Platform, as well as method of receivables transfer.

2.28. **Assignee** means the Supplier's Bank and any third party to which the Supplier's Bank can further assign the Redeemed Receivables (including CIB Bank) and any other assignee;

2.29. **Business day** means any day, except Saturdays and Sundays and holidays, during business hours during which banks in Bosnia and Herzegovina are open for business.

2.30. **Discounted value** means the value payable to the supplier in relation to redemption of receivables.

3. Customer-Service User

3.1. Customer - Service User is a legal entity registered in Bosnia and Herzegovina. With regards to the use of the Confirming service, it may appear as:

- a) Buyer – importer of goods and/or services to Bosnia and Herzegovina;
- b) Supplier – exporter of goods and/or services from Bosnia and Herzegovina.

3.2. User(-s) is/are authorised private individual(-s) who, at the request of the Legal Representative of the legal entity, is assigned with login data or credentials for access and work through the Confirming platform.

3.3. In accordance with its business policy terms, the Bank reserves the right to approve or reject the Service, with no obligation to explain its decision to the Customer.

4. Confirming service volume towards Customers-Buyers

4.1. Having concluded the Agreement on the use of the online platform Faktori and the Confirming Agreement with the Buyer, the bank shall enable to the users the following:

- Proposal of suppliers to be included in the Confirming Platform;
- Adding receivables to the Platform up to the total amount that Suppliers may offer for redemption to the Supplier's Bank;
- Review of invoices that the Supplier's Bank redeemed from suppliers;
- List of payment maturities;
- Automatic notifications regarding all changes in the platform (e.g. Redemption of receivables and change of creditors related to certain invoices)

4.2. Having concluded the Agreement on the use of the online platform Faktori and the Confirming Agreement with the Supplier, the following is enabled:

- List of invoices added by the buyer;
- Possibility to mark invoices that the Supplier intends to offer to its bank for redemption;
- Receiving bank's offer with redemption terms;
- Automatic notifications regarding all changes in the platform (e.g. newly added invoices, bank's notification of redemption acceptance)

Confirming service is a service by which ISP Group aims to enable its customers to finance supply chains and optimise the management of buyer payments in a transparent and efficient way through a digital platform.

5. Arranging the Confirming service

5.1. In order for the customer – Buyer to access the use of the Confirming service, it is necessary to sign an Agreement on the use of the online platform Faktor-I and also to sign the Buyer Confirming Agreement. These Agreements are signed after the bank's approval that entails determination of the Buyer's creditworthiness. The Bank shall evaluate financial standing on the basis of creditworthiness and solvency of the buyer using the collected documentation. The manner for determining the creditworthiness is prescribed by the Bank's documents. The right to approval of the Confirming service is entitled to each customer - resident legal entity, with an open transaction account with the bank, who collects and delivers to the Bank the necessary documentation proving the creditworthiness, as well as other documentation, prescribed by the valid documents of the Bank, and who meets all conditions prescribed by the documents of the Bank regulating the loan approval. The Bank reserves the right to reject the application for approval of the Confirming service without the obligation to provide a written explanation to the customer - buyer. The Bank may give verbal explanation to the customer - buyer, elaborating on the reasons for denying the service.

5.2. In order for the customer – Supplier to access the use of the Confirming service, it is necessary to sign an Agreement on the use of the online platform Faktor-I and also to sign the Supplier Confirming Agreement. The right to approve the Confirming service is obtained by a resident legal entity holding an open transaction account with a bank. The Bank may deny the provision of Confirming services to suppliers in accordance with the applicable regulations in Bosnia and Herzegovina.

6. Duties and responsibilities of the Customer

6.1. Customer - Buyer shall adhere to the following:

- by uploading Receivables onto the Platform, the Buyer will (i) acknowledge itself as debtor of the relevant Confirmed Receivables, (ii) irrevocably undertake to pay the Confirmed Receivables, waiving any right it may have to raise objections and/or disputes in relation to such Confirmed Receivables.

In addition, the customer - buyer warrants the following:

- a) Confirmed Receivables exist, are valid, transferrable, due and payable at their Maturity Date, and are not subject to any seizure, lien, third party's right, protective measures or any restriction or encumbrance securing

- any third-party interest;
- b) Buyer will not directly pay them to the Supplier;
- c) Confirmed Receivables result from the Supply Agreement;
- d) Supplier has fully and timely performed its obligations arising from the Supply Agreement underlying the Confirmed Receivables;
- e) No dispute exists in relation to the Confirmed Receivable, the Supply Agreement and its performance;
- f) Supply Agreement contains to unlawful clauses and the said delivery of goods and/or provision of services is not subject to any restrictions and/or embargoes prescribed by laws or documents of public authorities.

6.2. The user(-s) is(-are) obliged to keep the assigned login data and credentials for access to the platform confidential and bears all responsibility for misuse in the event of their unauthorised disclosure to a third party.

7. Duties and responsibilities of the Bank

7.1. The Bank will inform the customer-buyer about the limits for each supplier through the Platform as well as the balance available for redemption towards each individual supplier;

7.2. Banks will confirm their offer for the redemption of receivables from the supplier through the Platform. The Supplier agrees that the above confirmation through the Platform represents for all purposes a binding offer for the Redemption of receivables as well as a confirmation of timely receipt of the acknowledgement of debt by the Buyer.

7.3. The Bank shall provide the customer (buyer and supplier) with all necessary information for the use of the Platform through the Operational Handbook;

7.4. The Bank has the right not to proceed with the Redemption of Receivables if such action is contrary to the applicable regulations in Bosnia and Herzegovina.

8. Discount rate and Financing fee

8.1. The Discount Rate is calculated over the nominal amount of the Redeemed receivables according to the number of days from the date of Redemption of Receivable until the Maturity Date of the Receivables, and is charged once from the Supplier on the day of payment of the Discounted Value, by reducing the nominal value of the Receivable by the value of the calculated Discount Rate. Therein, the Discount Rate represents: EURIBOR 3M (EURIBOR is a reference interest rate that represents, in relation to each period for which interest is calculated, the percentage annual interest rate, determined two business days before the first day of the quarter in which the calculation is made (with Saturday not being considered a business day, and a quarter being a quarterly period starting on 1 January, 1 April, 1 July and 1 October), according to which first-class banks borrow deposits in euros (EUR) to each other, which is determined by the European Banking Federation and published on users' financial systems (Reuters, Bloomberg) at 11:00 Central European Time (CET) + ___% per annum. The discount rate is calculated using the proportional method on an annual basis, based on the actual number of days in a month of 28-31 days and a year of 360 days.

Financing fee: ___%, calculated over the amount of the

nominal value of the Redeemed receivables. The fee may not exceed 2% of the nominal amount of the Redeemed receivables. The fee is paid on one-off basis. The Financing Fee is calculated over the nominal amount of the receivables and is collected from the Supplier on the date of payment of the Discounted Value, by reducing the nominal value of the Redeemed receivables by the amount of the calculated financing fee.

8.2. The Bank will submit the amount of the Discount Rate and the Financing fee to the supplier for each individual redemption (in form of the Price List).

9. Other notices

11.1. The Customer is required to duly inform the Bank on all changes to their personal data which affect or may affect the use of the Confirming service.

10. Service cancellation

10.1 Either Party may terminate the Agreement by sending to the other Party a notice by registered mail without giving any reason or notice. Agreement termination takes effect from the notice sent date, unless otherwise stated in the letter of termination.

10.2. The Bank will be entitled to terminate the Agreement, with immediate effect, if the Buyer/Supplier fails to fulfil any of its payment obligations under the Agreement or any of its obligations thereunder.

10.3. Termination of the Agreement shall not affect the Bank's right, if any, to reimburse the amounts already paid by the Bank in the execution of the Payment Confirmation. The termination of this Agreement will not affect the validity and effectiveness of the Redeemed receivables carried out before the date of termination.

11. Dispute resolution

11.1. The Bank and the Customer shall resolve their disputes amicably, otherwise they shall agree on the court jurisdiction according to the location of the Head Office of the Bank.

12. Notifications and complaints

12.1. By signing the agreement, the Customer provides explicit consent to the Bank for the delivery of all notifications related to the use of the Confirming service to be delivered through the Platform.

12.2. If the Customer believes that the Bank does not follow its obligations from the concluded agreement, good business practices, general terms and conditions, provisions of the laws and regulations, then a verbal or written complaint may be filed directly or by delivering it to Bank's address by mail or electronically.

If the complainant files a verbal complaint, but is not satisfied with the Bank's response, the complainant shall be entitled to file a complaint in writing and/or electronically.

The Bank is required to conduct proceedings upon the submitted written complaint and to respond to the complainant within 30 (thirty) days from the day of receipt of the complaint pertaining to the agreements concluded in the organisational part of the Bank operating in the territory of the Federation of Bosnia and Herzegovina, or within 15 (fifteen) days for the

agreements concluded in the organisational part of the Bank operating in the territory of Republika Srpska.

Should the Bank fail to respond within the deadline specified in the previous paragraph, that is, if the complainant is not satisfied with the Bank's response to the complaint, the complainant, who established the business relationship with the Bank at the organisational part of the Bank operating in the territory of Federation of Bosnia and Herzegovina, has the right to inform the Banking Agency of the Federation of Bosnia and Herzegovina in writing about their dissatisfaction with the outcome of the complaint proceedings conducted by the Bank, or to submit a written complaint to the Agency about the Bank's operations within 3 (three) months from the date of response receipt or expiry of the 30-day period in which the Bank was obliged to respond to the submitted complaint. The complainant, having established a business relationship with the Bank in the organisational unit operating in the territory of Republika Srpska, may notify in writing the Ombudsman for the banking system (established within the Banking Agency of Republika Srpska at the address Vladika Platona 1/A Banja Luka that they are dissatisfied by the outcome of the complaint proceedings, within 6 (six) months from the date of receipt of the Bank's response or the expiration of the 15 (fifteen) day period in which the Bank was obliged to respond to the complaint, that is, if the Bank has not sent a response to the customer, i.e. the complainant.

13. Final Provisions

13.1. These General Terms and Conditions shall enter into force on 01/12/2024.

