

## **GENERAL TERMS AND CONDITIONS FOR TRADE FINANCE FOR LEGAL ENTITIES CLASSIFIED IN THE SMALL BUSINESS SEGMENT**

### **1. Introduction**

1.1. The General Terms and Conditions for Trade Finance (hereinafter: the General Terms and Conditions) regulate rights, duties and conditions for arranging and using the services in the Trade finance business. 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 negotiates and uses the Trade Finance service (hereinafter: the Customer).

1.2. The Bank retains the right to make amendments to the General Terms and Conditions in accordance with valid regulations and its business policy. The Bank is obliged to send a written notification thereof to the customers within min. 15 (fifteen) days prior to implementing any amendments. 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 business premises and its website. If the Customer chooses to reject the amendments to these Terms and Conditions, the Customer is required to notify the Bank in writing thereof, within 15 (fifteen) days upon receipt of the Bank's notification. Having received the Customer's notification on non-acceptance, the Bank is entitled to cancel the said service per each concluded Agreement.

### **2. Basic terms**

2.1. **Bank** means Intesa Sanpaolo Banka d.d. Bosna i Hercegovina

2.2. **Bank's documents** mean the documents passed by the authorised bodies of the Bank according to the procedure regulating the specific areas of the Bank's operations (e.g. General Terms and Conditions)

2.3. **URGD** means Uniform Rules for Demand Guarantees of the International Chamber of Commerce, last publication

2.4. **UCP** means Uniform Rules for Documentary credits

2.5. **Guarantee** is an instrument for securing the payment of contractual obligations in business cooperation. If the ordering party does not fulfil his obligations within the deadline, the bank takes over the payment of the amount agreed with the guarantee.

2.6. **Letter of credit** is a payment instrument by which the ordering party (buyer) makes a certain amount available to the beneficiary (seller) of the letter of credit. The beneficiary can collect the funds when he fulfils the agreed conditions.

### **Basic terms used in guarantee business**

2.7. **The notifying bank under the guarantee** is the bank that notifies the guarantee at the guarantor's request;

2.8. **Ordering Party** indicates the party that is specified in the guarantee as the one that has its obligation according to the contractual relationship on the basis of which the guarantee is issued.

2.9. **Order** means an order to issue a guarantee;

2.10. **Authenticated**, when applied to an electronic document, means that the party to whom that document is presented can verify the apparent identity of the sender and if the data received remained complete and unchanged;

2.11. **Beneficiary** is the party in favour of which the guarantee is issued;

2.12. **Business Day** means a day on which a party involved in performing some type of action under a guarantee is open to perform such action;

2.13. **Fees** means all commissions, fees, costs or expenses of any party acting under the terms of the guarantee and the contractual relationship;

2.14. **Harmonized demand** means a claim that fulfils the requirements of a harmonized presentment;

2.15. **Harmonized presentment** under a guarantee means a presentation that is compliant with the terms and conditions of the guarantee and in accordance with the Uniform Rules and Customs for Guarantees on Demand, if the guarantee itself refers to it.

2.16. **Counter-guarantee** means any signed obligation, regardless of name or description, which is given by a counter-guarantor to another party to secure the issuance of a guarantee or other counter-guarantee by that other party, which stipulates payment upon presentation of a harmonized demand under the counter-guarantee issued in favour of that party;

2.17. **Counter-guarantor** means the party issuing the counter-guarantee, whether for the benefit of the guarantor or another counter-guarantor, including a party acting for its own account;

2.18. **Demand** means a signed document by the beneficiary requesting payment under the guarantee;

2.19. **Guarantee** means any signed obligation, regardless of name or description, payments made upon presentation

of a harmonized demand;

2.20. **Expiration** means the expiration date or expiration event or, if both are stated, the earlier of the two;

2.21. **Expiration Date** means the date stated in the guarantee on the day or before which a demand may be made;

2.22. **Expiration Event** means an event which under the terms of the guarantee results in its expiry, either immediately or within a specified time after the event occurs, for which purpose the event shall be deemed to have occurred only:

a) when there is a document specified in the guarantee indicating the occurrence of the event presented to the guarantor,

b) if such document is not specified in the guarantee, when an event occurs which can be established from the guarantor's own records.

2.23. **Guarantor** means a party issuing a guarantee, including a party acting for its own account;

2.24. **Guarantor's own records** means the guarantor's records showing amounts credited or debited to accounts with the guarantor, provided that the records of such credits or debits enable the guarantor to identify the guarantee to which they refer;

2.25. **Instructing party** means a party, other than a counter-guarantor, who gives instructions for the issuance of a guarantee or counter-guarantee and is liable to indemnify the guarantor or, in the case of a counter-guarantee, the counter-guarantor. The instructing party may or may not be the Ordering Party;

2.26. **Presentation** means handing over the document under the guarantee to the guarantor or the document delivered in that way. It also includes a presentation that is not a demand, for example a presentation for the purpose of triggering the expiration of the warranty or its modification;

2.27. **Documentation presenting party** means the party submitting the presentation either as a beneficiary or on behalf of the beneficiary or ordering party, depending on the case;

2.28. **Signed guarantee** means that its original is signed by or on behalf of the issuer, either by electronic signature that can be verified by the party to whom such document, guarantee or counter-guarantee is given, either in person, by facsimile signature, stamp, symbol or other mechanical method;

2.29. **Accompanying statement** means the statement referred to in Article 15(a) or Article 15(b) of the URDG, namely:

- a statement by the beneficiary, stating in what respect the Ordering Party is in breach of his obligations under the underlying relationship. This statement may

be in the demand or in a separate signed document accompanying or identifying the demand.

- A statement by the party in favour of which the counter-guarantee was issued, indicating that that party received a compliant demand under the guarantee or counter-guarantee. This statement may be in the demand or in a separate signed document accompanying or identifying the application.

2.30. **Underlying relationship** means the contract, tender or other relationship between the Ordering Party and the beneficiary on which the guarantee is based.

#### **Basic terms used in documentary credit business**

2.31. **Notifying bank** means a bank that notifies letter of credit at the request of the issuing bank.

2.32. **Ordering party** is the party in favour of which letter of credit is issued.

2.33. **Banking day** is a day on which a bank is regularly open in the place where the transaction relating to the letter of credit is to be performed.

2.34. **The beneficiary** is the party in favour of which documentary credit is issued;

2.35. **Harmonized presentment** means a presentation that complies with the terms of the letter of credit, the applicable provisions of the UCP and international standard banking practice.

2.36. **Confirmation** means the definitive obligation of the confirming bank, in addition to the issuing bank, to respect or negotiate a compliant presentation.

2.37. **Confirming bank** means a bank which adds its confirmation to the letter of credit based on the authority or demand of the issuing bank.

2.38. **Letter of credit** means any arrangement, however named or described, which is irrevocable and therefore constitutes an instrument of payment and the final obligation of the issuing bank to comply with the compliant presentation.

2.39. **Honouring** means:

- pay at demand if the letter of credit is available at demand.

- take over a deferred payment obligation and pay at maturity if the letter of credit is available with deferred payment.

- accept a bill of exchange ("bill of exchange") drawn by the beneficiary and pay at maturity if the credit is available by acceptance.

2.40. **Issuing bank** is a bank that issues a letter of credit at the request of the applicant or in its own name.

2.41. **Negotiation** means the purchase by a nominated bank of bills of exchange (drawn at a bank other than the nominated bank) and/or documents under agreed presentation, by making an advance or agreeing to advance funds to the beneficiary on or before the banking day on which the compensation to the nominated bank is due.

2.42. **Nominated bank** means the bank with which the letter of credit is available or any bank in the case of a letter of credit available with any bank.

2.43. **Presentation** means either the delivery of documents under the letter of credit to the issuing bank or the nominated bank.

2.44. **Presenter** is beneficiary, bank or other presenting party.

### 3. Types of guarantees and documentary credits (letters of credit)

3.1. The bank can issue guarantees in the country and abroad.

3.2. The most common types of guarantees issued by banks are:

- bid bond (guarantee for seriousness of tender)
- performance guarantees
- warranty guarantee (defects liability demand guarantee)
- advance guarantee (advance payment bond)
- guarantee for payment of delivered goods/provided service
- guarantee for due loan repayment
- customs guarantee

3.3. Taking into consideration the method of issuance, guarantees can be direct (issued without an intermediary/notifying bank) or indirect, which are issued via SWIFT to the user's bank, which is also the notifying bank.

3.4. From the perspective of the bank's customer, guarantees can be *nostro* (issued by the bank on the customer's order to a third party) and *loro* (guarantees received by the bank where the bank's customer appears in the role of beneficiary of the guarantee).

3.5. The basic division of letters of credit includes the division into import and export letters of credit. It is not usual to issue a letter of credit in the country, although it is not excluded.

### 4. Issuing guarantees/letters of credit

4.1. The bank can issue a guarantee/letter of credit as an individual facility, from the Framework loan or from the Binding framework loan for guarantees and letters of credit.

4.2. According to these terms and conditions, the Bank will receive the application only when the entire requested documentation has been collected, necessary to establish the customer's - guarantee/letter of credit applicant's creditworthiness and risk assessment for approval of guarantee/letter of credit. Upon receiving the application, the Bank shall evaluate financial standing on the basis of creditworthiness and solvency of the customer - guarantee/letter of credit applicant, using collected loan documentation. The manner for determining the creditworthiness is prescribed by the Bank's documents.

4.3. The right to granting issuance of the guarantee/letter of credit is entitled to each customer - 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 guarantee/LoC approval.

4.4. Additional mandatory documentation for the issuance of a guarantee/letter of credit is an order for the issuance of a guarantee/letter of credit and documentation defining the underlying relationship between the ordering party and the user (proforma invoices, contract, tender documentation, etc.), documentation that enables control.

4.5. After the approval of the application, the Bank and the customer conclude the Agreement on issuing a guarantee/letter of credit. Guarantees and letters of credit that are issued on the basis of an already concluded Agreement on the binding framework agreement for guarantees and letters of credit where a separate Agreement is not concluded are excluded. The Agreement itself defines the obligations of both the customer and the Bank.

4.6. Guarantees and letters of credit in the country are issued in BAM or another foreign currency with the obligatory indication that payment will be made exclusively in BAM.

4.7. Guarantees and letters of credit abroad are issued in the currency in which the underlying relationship between the ordering party and the beneficiary was concluded.

## **5. Payment under guarantee/letter of credit**

- 5.1. The Bank is obliged to make payment under the guarantee for which it has received a compliant demand.
- 5.2. The Bank is obliged to make payment under the letter of credit for which it has received a compliant presentation, immediately, if the letter of credit is available at demand or on the due date if the letter of credit is available with deferred payment;
- 5.3. The Bank informs in writing, through the competent relationship manager, about the payment obligation under the guarantee/letter of credit;
- 5.4. The customer is obliged to provide funds for payment under the guarantee/letter of credit in its bank account without delay.

## **6. Settling obligations under the guarantee/letter of credit**

- 6.1. The bank's obligations under the issued guarantees are settled either by the expiry of the guarantee or by the occurrence of an expiry event
- 6.2. The bank's obligations under the issued letters of credit cease either upon the expiry of the letter of credit or upon payment as per compliant presentation.

## **7. Receiving loro guarantee/letter of credit**

- 7.1. The bank will notify the customer of the loro guarantee/credit if the received guarantee/credit does not deviate from legal regulations and the bank's internal procedures that regulate this area.
- 7.2. Notifying a guarantee or letter of credit implies confirmation of its authenticity;
- 7.3. Before issuing the guarantee/letter of credit, the bank reserves the right to request from the customer the delivery of additional documentation that defines the basic relationship between the ordering party and the beneficiary (proforma invoice, contract, tender documentation, etc.), as well as the filling of a questionnaire and, when necessary, a statement, which enables the bank to control trade financing transactions.
- 7.4. When receiving a guarantee/letter of credit, the customer is obliged to check all the stated conditions in order to avoid any difficulties in possible collection
- 7.5. If the customer determines discrepancies between the received guarantee/letter of credit and the underlying transaction, he is obliged to request changes from the ordering party without delay.

## **8. Presentation of documentation by guarantee/letter of credit**

- 8.1. The customer is obliged to prepare the documentation defined by the terms of the guarantee for a possible demand under the guarantee;
- 8.2. The customer is obliged to prepare the documentation defined by the terms of the letter of credit for presentation under the letter of credit;
- 8.3. The Bank may provide the customer with advisory services that are not binding for the customer;
- 8.4. The Bank will review the prepared documentation and send it for collection if that is required by the terms of the guarantee/letter of credit;
- 8.5. Upon receipt of approval, the Bank shall credit the customer's account.

## **9. Fees**

- 9.1. For the provided services, the Bank calculates fees in line with the Fee Tariff of Intesa Sanpaolo Banka d.d. BiH (for domestic legal entities classified in the Small Business segment or defined by the Agreement concluded between the Bank and the customer);
- 9.2. The applicable Fee Tariffs of the Intesa Sanpaolo Banka d.d. Bosna i Hercegovina for domestic legal entities classified in the Small Business segment and the General Terms and Conditions are available to the Customer at the Bank's web site and its branches. The Customer may request from the responsible Relationship Manager that the General Terms and Conditions and the applicable Fee Tariffs be sent via e-mail or delivered in person to them at the Bank's branches.
- 9.3. The Bank may deny service to the customer in case of untimely settlement of the customer's obligations to the Bank.

## 10. Dispute resolution

10.1. The Bank and the Customer shall resolve their disputes amicably, otherwise they shall agree on the jurisdiction of the court in Sarajevo.

## 11. Data delivery

Having affixed their signature to the Agreement, the Customer gives an irrevocable consent to the Bank to take all actions related to the processing of personal data of its authorised representative, obtained during the Agreement realisation and the confidential information obtained during the Agreement realisation, and to deliver such data to members of the Intesa Sanpaolo Group in the country and abroad, and to companies with which it has concluded a business cooperation agreement related to providing services to the Bank and the companies dealing with credit history checks and statistics, as well as to any government authority or institutions to which the Bank is required to deliver such data pursuant to valid regulations, all with an objective of regulating this contractual relationship with the Bank and all other contractual/business relations the Customer may have with the Bank. The consent is valid from the moment of signing the Agreement until its expiry on any grounds, i.e. until all contractual/business obligations have been fulfilled towards the Bank. Having signed the Agreement, the Customer agrees that the Bank shall have the right to submit the account information and the documents in the Agreement file to the digital archives/central data base of the Group to which the Bank belongs.

Notwithstanding the foregoing, the Bank may send to the third party (private individual and legal entity) the data obtained in establishing a business cooperation with the Customer, if it has the Customer's consent in writing.

## 12. Notifications and complaints

12.1. By signing the agreement, the Customer gives explicit consent to the Bank that the delivery of all notifications related to the use of the service is made to the address that will be specified in the Agreement or to the address that he subsequently communicates to the Bank.

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 relevant procedure related to 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 deadlines 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 procedure 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 required 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 procedure, within 6 (six) months from the date of receipt of the Bank's response or the expiry of the 15 (fifteen) day period in which the Bank was required 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 April 1<sup>st</sup> 2025.