



Pursuant to Article 73, paragraph 1 item 5 of the Law on Banks ("RS Official Gazette", No.107/2005, 91/2010 and 14/2015), in accordance with the provisions of the Law on Payment Services and Article 38 of the Articles of Association of Expobank JSC Belgrade (hereinafter: the Bank), the Board of Directors of the Bank, hereby adopts the following

## GENERAL TERMS AND CONDITIONS OF USE OF ELECTRONIC BANKING

### 1. INTRODUCTORY PROVISIONS

These General Terms and Conditions of using electronic banking (hereinafter: General Terms and Conditions) govern the mutual rights, obligations and responsibilities of Expobank JSC Belgrade (hereinafter referred to as the Bank) and legal entities, entrepreneurs and individuals (hereinafter: the Client) when using electronic banking services.

These General Terms and Conditions are considered an integral part of individual Agreements on electronic banking service (hereinafter: the Agreement), which together with the following documents:

- a) Agreement on opening and maintaining accounts
- b) General Terms and Conditions of providing payment services to legal entities and General Terms and Conditions of providing payment services to individuals and entrepreneurs (hereinafter collectively: General Terms and Conditions of providing payment services)
- c) Fees and commissions (hereinafter: Tariff)
- d) Timeline
- e) General Terms and Conditions for certain services/products of the Bank, whether part of individual agreement or made available to Bank Clients at the Internet presentation and/or in Bank Branches
- f) Individual Agreement on using of electronic banking services and/or Client's Application form

constitute the Framework Agreement on Payment Services (hereinafter the Framework Agreement), as a unified whole in terms of the Law, which is considered to be concluded for an indefinite period of time.

The Client shall be deemed to have concluded the Framework agreement by signing Agreement on opening and maintaining accounts, which contains a provision on the acceptance and implementation of relevant General Terms and Conditions of providing payment services. The application of these General Term and Conditions as an integral part of the Framework Agreement commences on the date of signing the Agreement on providing electronic banking services, unless otherwise agreed in the Agreement.

Individual application of these Terms and Conditions on contractual relations with clients are provided by concluding a written Agreement of the Bank and the Client, provided that the Bank is obliged to apply these General Terms and Conditions, related General Terms and Conditions for providing payment services, specific requirements for certain additional services/Bank products on already existing business relationships in terms of the Law, between the Bank and the Client arising from other forms of business cooperation, established under the then applicable rules and regulations of the Bank and without special agreement concluded.

Terminology:

- **E-banking /mBanking** - electronic exchange of information between agreement parties, service linked to payment account executed via the appropriate software installed on computer or web based, via Internet as per Application filed and signed at the moment of agreement on E banking service conclusion
- **E- message** – series of information,electronically generated, sent, received or stored on electronic, optical and any other similar medium
- **Smart card** - type of payment instrument and security medium with built-in chip, used to store electronic certificate and cryptographic keys required for use of E-banking services;
- **Digital certificate** - an electronic confirmation, which links data for electronic signature verification with certain person and confirms identity of such person, which is stored on the Smart card;

- **Payment instrument** – any personalized device and/or a set of procedures agreed between the User of payment services and the Bank, and used by the User to issue a payment order;
- **Electronic signature** - set of electronic data, which is associated or logically connected with other electronic data, and which is used for identification of a signatory and authenticity of signed electronic documents;
- **Secret key** - set of electronic data stored on Smart card and which is necessary to form electronic signature and decode messages;
- **Equipment** is a common term for Smart cards, USB key, Smart card reader and other medium
- **Authorized representative** - individuals which represents the Client, based on the law or authorization (for and in behalf of Client);
- **Authorized person** - individuals authorized by the Client to use any E-banking service for and in behalf of Client, depending on authorizations given to it;
- **Activation code** - the identification number that is used when activating eBanking services;
- **User name** - the unique identifier of the Client, which is used for accessing Client Internet channel for eBanking services;
- **PIN** (Personal Identification Number) is a unique identification number used to identify the Client when accessing certain eBanking system;
- **USB key** - is a security USB media with built-in chip, which is an electronic certificate and cryptographic key necessary for using Business eBanking services. The validity of the electronic certificate is 3 years from the date of issue;
- **SMS code** - a unique one-time code, which is used to authorize electronic payment orders and is valid for 10 minutes or for one payment, which is received via SMS on the mobile phone number specified by the Client;
- **Safety envelope with codes** - an envelope to be delivered to the Client, and which includes code and/or codes to access E-banking services;
- **Notification services** are email and SMS services the Bank uses to send information to Client on services of the Bank it uses;
- **Intermediary service centre** - software vendor and certification body which issued digital certificates for other design solutions;
- **Electronic message sender** - a person which sends an electronic message or the message has been sent in its name, except that electronic message intermediary shall not be deemed a sender of that electronic message. Intermediary means a person which sends or receives electronic messages on behalf of authorized person;
- **Electronic message recipient** - a person which received an electronic message or message has been received in its name, except that electronic message intermediary shall not be deemed recipient of that electronic message. Intermediary means a person which sends or receives electronic messages on behalf of authorized person;
- **mBanking application** – application for mobile device with system which supports installing additional application, providing the Client with access to account, process to payments, payment cards review etc.
- **Mobile device** is a device with operating system which supports installing and using of mBanking application.
- **Means of authentication** – security protection mechanism provided by the Bank to the User of payment services for use, and which is used for authentication of the User which tries to access bank's system or for authorization of transactions;
- **Authentication of User of payment services** – means a process of checking and confirming User's identity when he/she tries to access the Bank's systems through assigned means of authentication;
- **Transaction authorization** – means a process of confirmation of execution of financial and/or non-financial transaction within the Bank's system by using assigned means of authentication;
- **mToken** – means a software instrument for authentication, compatible with iOS and Andorid platforms for smart mobile phones and devices, for which authentication parameter is generated by the application installed on mobile device of the User of payment services;
- **QR code (eng. QR - Quick Response)** - a standardized two-dimensional label for presenting data about the payer and / or downloading merchant information.

## 2. ELECTRONIC BANKING SERVICES

Electronic banking is a set of various ways of performing financial transactions using computer networks and telecommunication media, enabling the Client to use certain services related to the

payment account with appropriate application software on the computer and / or other similar device via the Internet, without physically arriving into the bank, electronically.

An E-banking service Client may be:

- Any legal entity or entrepreneur holding an account with the Bank and who meets the technical requirements for the use of e-banking services - eBanking Business,
- Any individuals who holds an account with the Bank and meets the technical requirements for the use of e-banking services - eBanking Personal.
- Any individuals who holds an account with the Bank and meets the technical requirements for the use of mBanking services – mBanking Personal.

By activating electronic banking services, the Bank offers to the Clients, who are legal entities/entrepreneurs the following services

- Preview of the balance and turnover on the accounts
- Transfer of funds and payment transactions in the domestic payment system
- Repayment of loan installments
- Settlement of liabilities per credit card
- Transfer of funds and payment transactions in the payment system to foreign countries
- Remittance
- Purchase or sale in foreign currency
- Receiving an SMS on the balance, inflow and outflow from current account to a mobile phone number which is registered upon client request for e-banking services
- Receiving Bank statements about current account to the e-mail address that the Client has registered with the bank on his application for e-banking services

By activating these services, the Bank offers to the Client – individuals, the following services

- Preview of the balance and turnover on the accounts
- Review of balances and transactions of credit and debit cards
- Overview of the loan and repayment plan
- Transfer of funds and payment transactions in the domestic payments system
- Repayment of loan installments
- Settlement of liabilities per credit cards
- Purchase or sale of foreign currency (for e-banking services user)
- Receiving an SMS on the balance, inflow and outflow from the account to a mobile phone number which is entered on the Client application for e-banking service (for e-banking services user)
- Receiving current account statements to the e-mail address that the Client has registered on his application for eBanking service (for e-banking services user)

When completing the application, the Client states the type, manner and scope of using electronic banking services.

By further development of electronic services, the Bank may introduce additional services about which the Client will be informed, through the application and/or through the Internet site of the Bank.

To access the application and use electronic banking services, the Bank will deliver to the Client appropriate means of Client's authentication and transaction authorization in depends on chosen type of services and functionality of those services such as:

- Smart card / USB key
- Instalation CD with instructions for installation and use in an electronic format
- An envelope containing the necessary data for the service of eBanking - Asesco SEE (activation code and PIN)
- An envelope containing the necessary data for the service of eBanking - Halcom (PIN and PUK)
- Smart card reader.
- User name and Activation code

### **3. TERMS AND CONDITIONS FOR THE USE OF PAYMENT SERVICES OF ELECTRONIC BANKING**

#### **3.1. Terms and Conditions under which the Bank performs operations of electronic banking**

By signing the Agreement and the Application, the Client selects electronic banking services from the current offer of the Bank for the use of any or all services of the Bank.

The Client shall, at his own expense provide the minimum technical requirements for the use of these services that are listed in the General Terms and Conditions and the user manual.

User manual-documents for the Client are available at the Bank's web site which explain how to use each individual service (hereinafter: User Manual), as well as the installation procedure.

A Client may use any or all of the services, - after taking packages of electronic services and/or the Agreement, or after activation of the service by the Bank.

Client Services will be available from the moment of activation, 24 hours a day, seven days a week, to the extent and in the manner prescribed in the Agreement, the User Manual and the provisions of the Framework Agreement.

The Bank shall not be held liable in case the Client is not able to use the service due to disturbances of telecommunication system or other circumstances beyond the Bank's control.

Services are available through the following channels:

- a) Internet;
- b) SMS messages;
- c) E-mail.

On the basis of the registered data on the telephone number, mobile phone and/or email address of the Client, the Bank can identify the Client through SMS and/or e-mail messages and other methods available and thus put at his disposal information about the account, credit and debit cards and other products and services used by the Bank to the extent and in the manner defined in the User Manual. Clients are liable to keep all passwords used in working with the Services secret.

Any damage resulting from disregard of these provisions shall be borne by the Client, except as otherwise provided in this E-banking Terms and Conditions.

Payment orders carried out through any of the Services are completed in accordance with the applicable regulations and this Terms and Conditions.

Telephone calls related to the use of the Services are recorded and may serve as evidence of the issued orders and transactions performed. The Bank may use those voice recordings only for resolving complaints of Clients and in litigation.

In order to increase the security of electronic transactions, the Bank may assign Clients security devices or security letter, to be used for one or more services.

Clients shall use the security device or security letter in the manner prescribed by the User Manual, and keep it from damage and unauthorized use.

The Bank and the Client agree that electronic documents and electronic messages cannot be denied validity or probative force just because they are in electronic format, as well as the fact that an electronic signature, which can be verified on the basis of electronic certificates in legal transactions, have legal effect as handwritten signature in accordance with applicable regulations.

The Bank and the Client agree that the electronic signature:

- In a unique way is linked to the signatory of the electronic message;
- Is sufficient information to identify the signatory of the electronic message;
- Is implemented using means for generating an electronic signature, for which the signatory of the electronic message is responsible and
- Is connected to an electronic messages to which it relates in such a way that any subsequent alteration of data can be detected.

The Bank and the Client agree that the electronic messages are sent by the sender of the message:

- If the sender of an electronic message sent the message, personally, or
- A data message sent by a natural person who had the authority to act on behalf of the sender of the message in relation to that message;

The Bank and the Client agree that an electronic message is received by the recipient of an electronic message:

- If the recipient of an electronic message received by the message, personally, or
- A data message is received by a natural person who had the authority to act on behalf of the Recipient of electronic messages in relation to that message.

The Bank shall bear the risk of delivery of the payment instrument and the personalized security elements of the instrument to the Client.

### **3.2 Granting and withdrawal of approval for the execution of electronic payment transactions**

The Client disposes of the funds on all accounts, held in accordance with the Agreement on opening and maintaining the payment account concluded with the Bank, which provided for the use of certain Services.

The Bank shall execute the Client payment order issued by approval through the use of the payment instrument, which requires the execution of payment transaction of transfer of funds, if:

- The order was submitted on the prescribed form electronically (specified range of data, as a rule, determined by compulsory regulations, and the Bank is authorized to increase the volume of data in the payment order or request certain additional data entry);
- Order was duly completed - including complete data entry on the prescribed form;
- If the Client has provided sufficient funds for the execution of the order, which also includes the amounts of fees, which are calculated and charged in accordance with the Tariff;
- Properly typed and verified PIN code that is part of the procedure of giving approval for the execution of orders when using eBanking services
- The Client has given approval for the execution of the payment order (as defined in the preceding indent), where the Client shall be deemed to have given approval to one or more activities by which the payment order is given to the Bank for the execution of payment transaction;
- The non-existence of legal obstacles for the execution (the regulations)

When, according to special regulations, the execution of payment transactions requires certain documents or specific data, the Bank shall execute the payment transaction if such documents or information is submitted or presented in the prescribed form.

## **4. TIME OF RECEIPT OF PAYMENT ORDER AND THE DEADLINE FOR THE EXECUTION OF PAYMENT TRANSACTION**

Business Day of the Bank shall be the day when the Bank is open and working, which is defined as a Business Day defined in the applicable Timeline of the Bank.

The moment within the time period which the Bank independently determined to receive payment order shall be deemed the time of receipt of the payment order.

The time of receipt of the payment order is the moment when the Bank received the payment order which was issued by the Client, payment recipient or the Client through the payment recipient. The Bank shall be deemed to have received the payment order, when the order was delivered in a manner stipulated in the agreement, regardless of the possible prior involvement of the Bank in the process of issuing the payment order.

Except for the execution of specific instant transfer approval (instant payment), the Bank has determined, for all other payment systems, a moment at the end of the day that shall be the deadline for receiving payment orders, therefore all payment orders, not executed in IPS payment systems and received after this moment shall be considered to have been received the next business day.

The Bank shall execute payment orders according to the time of receipt of order in the Timeline, respecting deadlines and priorities stipulated by specific legislation.

## **5. LIMIT**

Clients may dispose of their funds without restrictions, except in case the Application for electronic banking service specified the limit, which is the maximum amount of individual payment transactions, in which case the individual transactions conducted by the Client may not exceed the required limit. The Client reserves the right to change the limit amount. The Bank shall make changes to limits based on the Client's request to amend the limit.

## **6. CLIENT LIABILITIES**

Clients undertake to:

- 1) In order to use some or all of the Services of the Bank, obtain, maintain and use appropriate PC and communication equipment in accordance with the technical requirements laid down by the User Manual;
- 2) Protect computer equipment and software to use the Bank's services and use them exclusively in the manner provided for each of the Bank's services;
- 3) Keep the equipment, usernames, passwords, codes, PIN and other identifiers, that will protect them from theft, loss, damage or abuse and not write them down or communicate them to other persons;
- 4) Return the equipment owned by the bank upon the Bank's request;
- 5) Carry out all operations carried out through the Bank services in accordance with the Framework Agreement, this Terms and Conditions, General Terms and Conditions and other laws and regulations;
- 6) Immediately notify the Bank of loss, theft, misuse or unauthorized use of equipment and/or mobile device or suspected unauthorized use of the Services of the Bank and send to the Bank immediately a request to disable (lock) using the same;
- 7) Inform the Bank about changes of all information necessary for the smooth and safe use of the Services, e.g. phone numbers, cell phone number, fax, or e-mail addresses over/through which the individual services are used,

## **7. BANK RIGHTS AND LIABILITIES**

The Bank undertakes to provide to the Client all the necessary elements for access and use of the Services of the Bank within the Business day of the Bank for certain payment services, except in cases of Force Majeure, technical difficulties beyond the control of the Bank or other unexpected events.

The Bank shall be accountable to the Client for direct damage incurred as a result of deliberate or gross negligence by the Bank.

The Bank shall not be liable for loss or damage to data on the equipment that the Client uses to access the Services.

The Bank shall not be responsible for the consequences arising from unauthorized or improper use of the equipment that the Client uses for the service, as well as for telecommunication and teletransmission services provided by third parties or for interference or non-functioning/poorly functioning services that are beyond the control of the Bank.

The Bank may make short-term interruption of the service, in case of necessary system upgrade, repairs, maintenance or installation maintenance by the Bank, about which the Bank will inform the Client at least two (2) working days in advance, except in emergencies or when security reasons do not permit it.

The Bank reserves the right to enter, incorporate changes and adapt the existing systems and safety regulations.

The Bank does not guarantee and shall not assume responsibility for hardware and software that is not part of the system of electronic service.

## **8. INFORMATION AND DATA ABOUT FEES, INTEREST RATES AND EXCHANGE RATES FOR FOREIGN CURRENCIES**

### **8.1 Type and amount of fees the Bank charges the Client**

By agreeing on some or all of the services, the Client agrees and authorizes the Bank to debit the account immediately after the activation of services for the fee for the services, in accordance with the Tariff.

In case there are insufficient funds in the account to charge fees for the services, the Client will not be able to use the same until the funds in the account are sufficient to charge the fee for the activation of the contracted services.

The Client agrees and authorizes the Bank to charge all fees in connection with the use of some or all of the contracted services in accordance with the Tariff.

For services that enable payment transactions by a payment order for the transfer from the account of the payer to the payment recipient's account, the Bank shall charge a fee for each thus performed single payment transaction in accordance with the Tariff.

### **8.2 Foreign exchange rate**

The Bank shall execute the payment order in the currency and the denomination of the currency to which the order is given.

If the execution of payment transactions requires the purchase and/or sale of domestic or foreign currency (currency conversion, the Bank will use the appropriate buying/selling rates with the Bank's daily exchange rates, in order to implement exchange of currency.

EXCHANGE RATE of the Bank is available on the Bank's business premises and on the Bank's website, where the Bank may offer more favorable exchange rate, about which the Client shall be notified in the execution of individual transactions.

Prior to executing the transaction, the Client will be familiar with the exchange rate according to which he will make the individual transaction (buying and selling rate - in the amount through the application)

The provisions of the General Terms and Conditions governing the manner and means of communication between the Client and the Bank shall also apply to the contractual relationship arising from or in connection with the Agreement.

## **9. BLOCKING AND SUSPENSION OF USE OF SERVICES**

At the request of the Client, the Bank may block access to the service, partially or entirely.

The Bank has the right, without the approval of the Client, to block the use of the Service, partially or in full:

- a) In case it suspects that the Client or a third person misuses the services;
- b) In case the Client fails to comply with contractual provisions;
- c) In case the Client fails to use the service in the prescribed time period.

The Bank shall also suspend the services at the Client's request, which may be submitted at any branch of the Bank, in writing or in the manner provided in the User Manuals for each individual service.

The Bank may disable the use of the payment instrument if there are justifiable reasons related to the security of the payment instrument, if there is suspicion of an unauthorized use of a payment instrument, or its use for fraudulent purposes, or if there is an increase in risk that the Client will not be able to meet his payment liabilities when the use of the payment instrument is related to the approval of loans or overdraft to the Client.

The Client is obliged to provide the amount of funds in his account, necessary to compensate for the use of electronic banking services.

In case, during 3 consecutive months, the account of the Client - legal entity or entrepreneur does not hold sufficient amount of funds to charge fees for the use of electronic banking services, the Client shall will be prevented from further use of electronic banking services.

The Bank is liable to inform the Client on its intention and the reasons for blocking the payment instrument, before blocking the same, but not later than immediately after blocking it, by telephone, in writing, through the application itself or in another agreed manner.

The Bank will re-enable the use of the payment instrument or replace it by a new one when the reasons for blocking cease.

#### **10. CLIENT RESPONSIBILITY FOR THE EXECUTION OF A PAYMENT TRANSACTION**

The Client shall be responsible for the control, accuracy of data entered and regularity of completed payment orders for transfer of funds through electronic services.

If the payment order is executed in accordance with the unique identifier of the payment recipient quoted in the order, the present order shall be deemed executed correctly in the part that relates to the payment recipient, regardless of other data submitted to the Bank.

The Client shall be held liable for any failure or improperly executed payment transaction, if the unique identifier provided by the Client to the Bank is inaccurate.

#### **11. CONDITIONS FOR UNILATERAL CANCELLATION OF THE AGREEMENT**

**The Client** may cancel the use of the Services, with a notice period of one month, at the Bank branch in writing by completing an application for cancellation of electronic banking services and cancellation of the Smart Card/USB key/or other means of authentication

In case of cancellation of rights to use the Smart Card/USB key individually authorized signatory of the Client, the Client shall provide the Bank a request for cancellation of Services or cancellation of Smart Card/USB key /or other means of authentication

All debt incurred before the date of termination of the electronic certificate, as well as any expenses and interest arising from the debt shall be borne by the Client.

The Client also has the right to terminate the Agreement in other cases prescribed by the Law on Contracts and Torts or other laws.

**The Bank** has the right to cancel an agreement concluded for an indefinite period, with a notice period of two (2) months, as well as in other cases stipulated by the Law on Contracts and Torts or other applicable laws and regulations by delivering a written notice to the other contracting party using the agreed communication channels.

Except in cases provided as the basis for termination of the Framework Agreement, the Bank may unilaterally terminate the agreement and block the user orders in the event that the Client:

- fails to take the safety information to be able to access and use the Services for a period longer than 6 months from the date of application
- fails to use the services for a period longer than 6 months

In the event of canceling the Agreement, the Client is obliged to pay the fee for the payment services rendered up to the date of cancellation, and if such a fee has been paid in advance, the Bank is obliged to repay a proportional part of the client fees paid.

**Board of Directors**