

## **GENERAL TERMS AND CONDITIONS TO CONTRACTS AS PER FINANCIAL COLLATERAL ARRANGEMENTS LAW**

### **I. DEFINITIONS**

1. FINANCIAL OBLIGATIONS are payment obligations of the BORROWER to the BANK pursuant to the Loan Contract, designated in the present Contract and Annexes, for the payment of principal, interest, fees, penalty, commission fees, compensations for damages, costs, etc., including payment obligations set out in additional agreements to the Loan Contract.

2. FINANCIAL COLLATERAL in the sense of the present Contract is financial receivables of the COLLATERAL PROVIDER from the BANK where the funds are held in a bank account of the COLLATERAL PROVIDER with the BANK. The total amount of the receivables is set out in section 1 of the present Contract.

### **II. INTEREST**

3. The FINANCIAL COLLATERAL established with the present Contract also extends to the receivables for interest accrued on the funds in the bank account. Funds held in the bank account earn interest at a rate in accordance with the prevailing Interest Bulletin of the BANK.

### **III. COLLATERAL PROVIDER'S DECLARATIONS**

4. The COLLATERAL PROVIDER declares that no third persons have any rights and/or claims on the FINANCIAL COLLATERAL, and no pledge has been established or distraint has been imposed on it. In this regard the COLLATERAL PROVIDER undertakes to not establish pledges in favour of third parties and not otherwise encumber the receivables presently provided in FINANCIAL COLLATERAL.

### **IV. BANK'S SATISFACTION FROM THE FINANCIAL COLLATERAL: NETTING**

5. The BANK materialises the FINANCIAL COLLATERAL by netting the COLLATERAL PROVIDER's receivables in the bank account, serving as FINANCIAL COLLATERAL, against the BANK's receivables from the unpaid FINANCIAL OBLIGATION. The two receivables are netted to the lesser amount.

6. The BORROWER continues to owe to the BANK the payment of the unsettled part of the FINANCIAL OBLIGATION, should the amount of the receivable from the bank account is less than the amount of the FINANCIAL OBLIGATION as of the moment of netting.

### **V. OTHER**

7. All notifications, statements and messages related to the present Contract shall be deemed received by the COLLATERAL PROVIDER, if sent by registered post to the indicated correspondence addresses. Should it be impossible to find the COLLATERAL PROVIDER at the address he/she/it has indicated, which fact is evidenced by the return of the registered post letter, or by two witnesses, the documents shall be deemed delivered.

8. The contents of the Contract may be amended and supplemented only by express mutual agreement between the parties in writing. All related disputes shall be settled through negotiations, and when impossible to reach an agreement, the dispute shall be taken to the competent Bulgarian court.

9. The invalidity of any clause or part of a clause in the Financial Collateral Contract and/or these General Terms and Conditions shall not cause the entire Contract and/or General Terms and Conditions to become invalid, but shall be limited to the individual clause/part of a clause in question.

10. For any interpretations of the sense and effects of the present Contract, the prevalent legislation of the Republic of Bulgaria shall apply.

**These General Terms and Conditions were approved by the Management Board of ProCredit Bank (Bulgaria) EAD on 07.10.2013 and are effective as of 21.10.2013.**

**This translation from Bulgarian into English of the General Terms and Conditions to Special Pledge Contract is provided for information purposes only. The Bulgarian original text remains the only legally enforceable version.**