

GENERAL TERMS AND CONDITIONS TO REAL PLEDGE CONTRACT

I. PLEDGE OBLIGATIONS

Upon establishment of pledge on chattels:

1. The PLEDGOR shall not have right to use the Pledged Property, while the THIRD PARTY shall be obliged to take due care of it, including to ensure its proper storage, to safe-guard against malicious trespass to it, and fulfil the specific storage requirements for the Pledged Property.
2. The THIRD PARTY shall be obliged to allow the BANK to make inspections on the condition of the Pledged Property at all times and at its request, and to immediately inform the BANK of any event of trespass to or loss of the Pledged Property.
3. In case of failure to pay any due amount pursuant to the Loan Contract, deterioration of the financial condition of the Borrower, as well as in other cases at the BANK's discretion, the PLEDGOR and the THIRD PARTY authorise the BANK to take possession of the Pledged Property through the signing of an Acceptance-and-Delivery Certificate with any person found by the BANK employees.
4. Should the PLEDGOR, respectively the Borrower, fail to fulfil any of his/her/its obligations pursuant to the Loan Contract and/or the Pledge Contract, or should there be a demand for early repayment of the loan, the BANK shall be entitled to sell the Pledged Property without court intervention.
5. Should the PLEDGOR or the THIRD PARTY fail to fulfil any of the obligations pursuant to the present Contract, each one individually shall be financially liable for losses suffered by the BANK resulting from such failure.
6. Should the THIRD PARTY refuse to deliver the actual possession of the Pledged Property after having received the BANK's written request thereof, or should it change the address of physical storage without the prior consent of the BANK, the THIRD PARTY shall owe a penalty equal to 10% of the loan amount set out in the Loan Contract, as well as criminal liability in the cases provisioned by law.

Upon establishment of pledge on receivables:

7. If the funds kept in the accounts indicated in the Contract earn interest, the interest accrued also remains in pledge in favour of the BANK.
8. Within 3 business days from signing the Pledge Contract, the PLEDGOR shall be obliged to send to the debtor for the pledged receivable a written notification (Attachment 1 to the Contract) containing a declaration that the receivable has been pledged in favour of the BANK and a description of the receivable. The PLEDGOR shall be obliged to immediately provide the BANK with the original notification document delivered to the debtor. The actual receipt of the notification is evidenced with the pledged receivable debtor's signature, correspondence reference number and/or stamp affixed to the document.
9. Within 3 business days from signing the Pledge Contract, the PLEDGOR shall be obliged to redirect the pledged receivables to be received in the indicated Accounts.
10. The PLEDGOR shall be obliged to immediately inform the BANK in any of the following events:
 - the contract constituting the pledged receivable is terminated for whatever reason;
 - the value of the pledged receivable falls below the amount stated in the Pledge Contract or considerable risk exists that constraints may be imposed on the accounts in which the pledged receivables are held.

11. Upon signing the present Contract, the PLEDGOR shall provide the BANK with certified copies of the documents evidencing the existence of the receivable(s), which are the object of the present Pledge Contract. The BANK shall have the right to receive all information directly or indirectly related to the pledged receivables.

12. By signing the present Pledge on Receivables Contract, the PLEDGOR gives his/her/its irrevocable and express consent for the BANK to collect its receivables *ex officio* from the indicated Accounts. For this purpose the PLEDGOR acknowledges that upon failure to pay any due amount in full in accordance with the Loan Contract conditions, the BANK shall collect the amount of the overdue repayment instalment from the funds held in the Accounts indicated in the present Contract, or in any other accounts held by the PLEDGOR with the BANK, irrelevant of their respective currencies, without court intervention. In the event that the receivables are collected from accounts held in currencies different from the currency of the Loan Contract, the currency exchange rate of the BANK prevalent on the receivables collection day shall be applied and any incurred currency losses/earnings shall be debited/credited to the PLEDGOR's account.

13. The PLEDGOR acknowledges expressly and irrevocably that in case of failure to pay a due amount in time and/or in full as arranged in the Loan Contract, the BANK shall be authorised without court intervention to send a notification to the debtor for the pledged receivable, requesting his/her/its performance of payments owed to the PLEDGOR directly to an account of the BANK.

II. PLEDGE RESTRICTIONS

14. The PLEDGOR declares that he/she/it is the only owner of the Pledged Receivables/Property, that he/she/it has full rights of disposal thereof, that the Pledged Receivables/Property are free of encumbrances and no third parties have rights or claims thereof. The PLEDGOR undertakes, apart from the effects arising from the present Pledge Contract, to not sell, transfer, pledge in favour of third parties, or otherwise encumber the Pledged Receivables/Property without the prior written consent of the BANK.

15. Should the PLEDGOR breach any of his/her/its obligations set out in the Pledge Contract, the BANK shall be entitled to demand early repayment of all its receivables pursuant to the Loan Contract and satisfy such receivables immediately and ahead of schedule from the Pledged Property/Receivables.

III. NOTIFICATIONS

16. All notifications, statements and messages related to the present Contract shall be deemed received, if delivered personally, by a courier, or by registered post to the indicated correspondence addresses.

IV. APPLICABLE LAW

17. For all matters not settled in the present Contract the prevalent law shall apply.

18. In case of discrepancies between the contents of the Pledge Contract and these General Terms and Conditions, the clauses of the Pledge Contract shall prevail.

These General Terms and Conditions apply to all real pledge contracts of ProCredit Bank (Bulgaria) AD. They were approved by the Management Board of ProCredit Bank (Bulgaria) AD on 29.03.2013 and are effective as of 12.04.2013.

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.