

# Regulations on providing credit risk bearing products

(Effective as of 31 July 2017)



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These Regulations on providing access to products bearing credit risk, hereinafter referred to as the “Regulations”, have been issued in accordance with Article 109 of the Banking Law.

## CHAPTER I DEFINITIONS OF BASIC TERMS USED IN THE REGULATIONS

Letter of credit	a documentary letter of credit in foreign or domestic trade, referred to in Article 85 of the Banking Law, not covered in advance by the Applicant, made available on the principles specified in the Regulations and in the agreement on providing the Product,
The Bank	mBank S.A. with its registered seat in Warsaw,
Beneficiary	the entity entitled to demand payment under the Guarantee or the Letter of credit,
Drawdown	the amount of the loan paid under the Payment Order,
Business Day	each day from Monday to Friday, excluding any public holidays, on which the Bank carries out its operations covered by the Regulations,
Guarantee	a Bank guarantee referred to in Article 81 of the Banking Law or a standby letter of credit (securing), made available on the principles specified in the Regulations and the agreement on providing the Product,
Customer	an entrepreneur created according to the provisions of the applicable law, who concluded with the Bank the Bank Account Agreement or the agreement on providing the Product,
Loan	the amount made available to the Customer on the principles specified in the Regulations and the Loan Agreement or the Borrowing Agreement,
Borrower	the Customer, with whom the Bank concluded the Loan Agreement,
Limit	the maximum total amount specified in the Agreement, up to which the Products may be made available to the Customer on the principles specified in the Regulations and the Agreement,
Extorted Receivable	the Bank's receivable due from the Customer being the Applicant of the Letter of Credit or the Guarantee, resulting of payment made by the Bank under the Guarantee or the Letter of Credit in case of insufficient funds on the accounts of the Applicant to cover payment of the Bank's claim,
Portal	website of the mBank Group being a system of web pages located on the Bank's web server at www.mbank.pl,
The Banking Law	the Act of 29 August 1997 – the Banking Law or another act which amends or replaces it and the implementing provisions issued under these acts,
Product	banking product bearing credit risk, made available to the Customers on the principles specified in the Regulations and in the Agreement,
Event of Default	the event mentioned in Chapter XIII, which may be deemed by the Bank an infringement of the Agreement terms and conditions,
Account	the Customer's bank account kept by the Bank, indicated in the Agreement,
Regulations	these Regulations on providing credit risk bearing products,
Product sublimit	the amount specified in the Framework agreement, up to which the specific Products may be made available to the Customer within the available limit,
Base rate	the interbank loan interest rate specified in the Agreement, quotations of which are published on the Reuters web pages, especially: overnight WIBOR (ON), one-month (1M), three-month (3M), six-month (6M) for PLN, overnight LIBOR (ON) one-month (1M), three-month (3M), six-month (6M) for USD and GBP, overnight LIBOR (ON) for EUR, one-month EURIBOR (1M), three-month (3M) and six-month (6M) for EUR,
Parties	the Bank and the Customer,
mCN System	Internet customer service system mBank CompanyNet (e-banking) made available to the Customer on the basis of a separate agreement with the Bank,
Agreement	agreement on providing the Product, including the Loan Agreement, the Framework Agreement or the Implementation Agreement, under which the Bank provides a specific Product to the Customer,
Loan Agreement	each of the agreements on granting a Loan, concluded by the Customer with the Bank,
Borrowing Agreement	each of the agreements on granting a borrowing, concluded by the Customer with the Bank,
Bank Account Agreement	the agreement, under which the Bank keeps the Account for the Customer,
Framework Agreement	the agreement, under which the Bank makes the Limit available to the Customer for use in the form of Loans or other Products within the time limits and on the principles specified in this agreement,
Implementation Agreement	each of the agreements on providing the Products made available to the Customer under the Framework Agreement, including the Application for the Product approved by the Bank,
Collateral Agreement	each of the agreements, under which the Customer establishes a Collateral,

Base Currency	the currency indicated in the Agreement on granting the Loan or the Limit, which may be utilised in different currencies,
Collateral	collateral securing the Bank's claims indicated in the Agreement, which the Customer is obliged to establish,
Overdue debt	the Bank's debt claim towards the Customer unpaid within the time limit specified in the Agreement,
Order	each order properly made and signed by the authorised representatives of the Applicant, concerning the Guarantee, the Letter of Credit or the provision of another Product, excluding Loans, submitted at the Bank by the Applicant via the mCN system or in writing, on the applicable form,
Payment Order	each order to drawdown or repay the Loan presented by the Customer,
Applicant	the Customer, on whose request the Bank provides the Guarantee or opens the Letter of Credit.

## CHAPTER II

### GENERAL PROVISIONS

1. These Regulations specify the principles and conditions of granting and supporting by the Bank of the Loans, multi-product financing, Guarantees and Letters of Credit offered to entities conducting business activity.
2. The Regulations together with the Agreement establish a legal relationship between the Customer and the Bank.
3. The Regulations are available at the Portal.

## CHAPTER III

### ELECTRONIC BANKING – mBank CompanyNet SYSTEM

1. The Products covered by the Regulations may be serviced via the mCN System, within the scope agreed in a separate agreement with the Customer.
2. Applications, Payment Orders and instructions submitted via the mCN System create the same legal effects as the relevant declarations of the Customer submitted in writing.
3. At the Bank's request, the Customer is obliged to present the originals of the documents and declarations delivered to the Bank via the mCN System.

## CHAPTER IV

### CONDITIONS OF PROVIDING THE PRODUCT

1. The Bank makes the provision of the Product conditional upon:
  - 1/ the Customer's creditworthiness understood as the capability to repay the liability under the Agreement, including interest, commissions, fees and the Bank's costs relating to the Product, within the time limits specified in the Agreement, and
  - 2/ securing the Bank's debt claim under the Product – if required.
2. The Customer's creditworthiness shall be assessed on the basis of the documents, information and declarations each time specified by the Bank, which are necessary for making such an assessment or required under legal regulations.
3. Positive assessment of the Customer's creditworthiness does not create the Bank's obligation to provide the Product.
4. The Bank may refuse to provide the Product, particularly if its provision would lead to an infringement of:
  - 1/ the provisions of the Regulations,
  - 2/ the applicable legal regulations, including those concerning the prevention of money laundering and terrorist financing,
  - 3/ the applicable legal regulations or regulations of third countries regarding economic and financial sanctions and the sanction policy being in force at the Bank as well as special restrictions concerning particular countries (especially if the provision of the Product in USD might give rise to the Bank's liability towards the entity, which is subject to the sanctions introduced by the United States),
  - 4/ the applicable Bank's policy concerning goods and types of activities, in financing of which the Bank should not participate.
5. The costs connected with applying for the Product shall not be incurred by the Bank.
6. The Bank shall make the Product available under the Agreement signed by both Parties.
7. The Bank may decide that it shall make the Product available under the condition of submitting by the Customer or the entity establishing a Collateral a declaration of submission to enforcement proceedings under Article 777 § 1 item 5 of the Civil Proceedings Code (in the form of a notarial deed), of the content agreed with the Bank.
8. The Customer shall be liable for the content of Applications and Payment Orders addressed to the Bank and accompanying documents, especially for reliability and accuracy of data contained therein. A submission by the Customer of an Application or Payment Order, which in the opinion of the Bank has been prepared improperly, shall not entail the obligation to execute it. The Bank shall not bear any consequences of improper preparation of Applications and Payment Orders.

## CHAPTER V

### LOANS

1. The Loan may be allocated to financing current business activity of the Customer, financing investments or commercial transactions.
2. Under the Agreement together with the Regulations the Bank may grant the following types of Loans:
  - 1/ Overdraft facility,
  - 2/ Working capital loan,
  - 3/ Revolving loan,
  - 4/ Investment loan,
  - 5/ Mortgage loan and borrowing.
3. The Loan may be utilised by means of the execution of Payment Orders submitted to the Bank, including Payment Orders delivered via the mCN System. Payment Orders may be accompanied by other documents, according to the Loan Agreement. Invoices (if provided for in the Loan Agreement) attached to the Payment Orders shall meet the requirements specified in legal regulations.
4. In case of executing a Payment Order in the currency other than the Loan currency, the Bank shall make a currency conversion in accordance with the principles specified in the Regulations, applying the rates of exchange from the Foreign Exchange Rates Table of mBank S.A. from the date of execution of the Payment Order.
5. The Bank shall execute a Payment Order immediately, but not later than on the following Business Day after the Bank's verification of the correctness and completeness of the Payment Order and accompanying documents and after currency conversion, if applicable.

6. In the case of the Overdraft facility, the Bank shall execute Payment Orders on the terms set out in the Bank Account Agreement.
7. The Bank shall execute the Payment Order concerning a drawdown of the Loan, if all the following conditions are met:
  - 1/ the amount of the Payment Orders shall not exceed the available amount of the Loan,
  - 2/ The Order is consistent with the purpose of the Loan specified in the Loan Agreement, has been signed (authorised) by the authorised persons and properly marked with the number of the Loan Agreement,
  - 3/ the conditions for the release and drawdown of funds specified in the Loan Agreement have been met,
  - 4/ the Bank has not suspended the Borrower's right to further use of the Loan.
8. In the case of refusal to execute the Borrower's payment order, the Bank shall immediately notify the Borrower accordingly, specifying the reasons thereof.
9. For multi-currency Overdraft facilities, the amount of the Payment Order may not exceed the available Loan amount, which is the difference between the Loan Limit granted and the sum of debit balances in the current accounts participating in the Loan utilisation, Converted to the Base currency at the average exchange rate currently applicable at the Bank.
10. At the end of each Business Day when the amount of the granted Overdraft facility was exceeded, the Bank shall charge statutory default interest specified in the Civil Code in the current accounts participating in Loan utilisation on that day. The accounts are debited with such interest on the interest payment dates in proportion to the share of each such current account in the Loan utilisation.
11. Interest rate on the Loan in the Agreement is determined per annum. Interest is calculated on the amount of the Loan utilised.
12. The interest shall be calculated on the basis of the actual number of calendar days.
13. The interest rate per annum for Overdraft facilities shall be calculated on the basis of the number of days in a year equal to 365. For the remaining Loans 360 days shall be adopted respectively, except for financing in PLN and GBP, for which 365 days shall be adopted.
14. The interest rate on the Loan is specified in the Agreement and equal to the fixed interest rate or a sum of the variable Base rate and the margin, save that if the Base rate is negative it is adopted that it is equal to zero.
15. The Base rate relevant for the Drawdown comes from the quotations from 2 Business Days before the date of this Drawdown and before the date of updating the Base rate, except for Overdraft facilities. For Overdraft facilities the overnight Base rate comes from the quotation on the date of interest calculation.
16. The Base rate shall be updated on the interest payment date, except for Overdraft facilities. If a business day for a given currency is not a Business Day at the Bank, the Base rate shall be updated on a business day for that currency. For Overdraft facilities the overnight Base rate shall be updated on each Business Day.
17. Interest are payable on the dates specified in the Agreement and on the final repayment date for a single Drawdown, except for Overdraft facilities. For Overdraft facilities interest are payable on the last Business Day of the calendar month and on the Loan final repayment date.
18. If the date of payment of receivables under the Agreement (including interest and principal instalments) is not a Business Day at the Bank or is not a business day for the Loan currency, the payment shall be made with the value date as of the first Business Day following such non business day, provided that it falls within the same month. Otherwise, the payment shall be made on the last Business Day within the same month.
19. The Bank shall notify the Borrower and surety providers of the amount of the Base rate on the Portal.
20. The Borrower is bound to notify the Bank debtors under the collateral of the Loan Agreement, other than surety providers, about changes of interest rate.
21. The Bank may conclude with the Borrower hedging transaction for interest rate variability risk and exchange rate variability risk.

## **CHAPTER VI**

### **TRADE SERVICES AND TRADE FINANCE**

#### **A. GUARANTEES**

1. The Guarantee is a collateral securing performance of particular obligations of the Applicant and includes an irrevocable obligation of the Bank to pay a specific amount, on the basis of the Beneficiary's demand submitted in a proper way, after all conditions listed in the content of the Guarantee have been met by the Beneficiary.
2. The Bank's liability under the Guarantee is independent from the validity and legal effects of the agreement, in relation to which the Guarantee has been provided, concluded by and between the Applicant and the Beneficiary, and from legal relationships between the parties.
3. The Guarantee shall be provided at the request of the Applicant, expressed by submitting at the Bank of the Application together with the documents specifying the obligation, the performance of which is to be secured by the Guarantee.
4. The Applicant is responsible for the compliance of data included in the Order with the contents of contracts, orders or trade agreements, or other documents confirming the existence of debt claims to be secured with the Guarantee.
5. The Guarantee may be provided under the condition that the Applicant and the Bank agree upon its contents. This condition shall be deemed fulfilled:
  - 1/ upon confirming by the Bank its readiness to issue the Guarantee using a template provided by the Applicant or
  - 2/ if the Application's content includes an instruction to issue the Guarantee in accordance with the standard template used by the Bank for a particular type of Guarantee.
6. The Bank shall immediately notify the Applicant of the receipt of the Beneficiary's demand for payment under the Guarantee.
7. The Bank is not obliged to check the circumstances resulting from the documents submitted by the Beneficiary and shall verify them only in terms of compliance with the conditions of the Guarantee, without responsibility for the authenticity of such documents and their legal effects.
8. The Bank shall make a payment under the Guarantee upon a demand made by the Beneficiary, regardless the validity and legal effects of any agreements between the Applicant and the Beneficiary, after fulfilment by the Beneficiary of the conditions set out in the Guarantee, particularly upon the submission of the documents required according to its content.
9. The Bank's opinion on the compliance of the Beneficiary's demand with the conditions of the Guarantee shall be conclusive and, in the absence of manifest errors, binding for the Applicant.
10. The Bank shall debit the Account of the Applicant with the amount paid in the currency of the Guarantee or the equivalent of this amount in another convertible currency or in PLN, in accordance with the principles specified in the Regulations.

#### **B. LETTERS OF CREDIT**

1. The Letter of credit is a conditional form of payment, based on the Bank's obligation to pay a specific amount to the Beneficiary for the documents meeting the conditions of the Letter of Credit, upon fulfilment by the Beneficiary of all the conditions set out in the content of the Letter of Credit.
2. The Bank opens the Letter of Credit acting:
  - 1/ according to the Customer's Application and
  - 2/ the provisions included in the publication No 600 of the International Chamber of Commerce with its registered office in Paris "Uniform Customs and Practice for Documentary Credits".
3. The Applicant is responsible for the compliance of data included in the Application with the contents of contracts, orders or trade agreements confirming the conclusion of the transaction, in connection with which the Letter of Credit is being opened.
4. While opening the Letter of Credit the Bank – according to the content of the Application - requests the intermediating bank for advising or confirming the Letter of Credit. In the case of a refusal of the intermediating bank, the Bank shall notify the Applicant of this fact and shall wait for its further instructions.

5. The Bank reserves the right to select a bank, to which it will address the Letter of Credit, if it is impossible to advise the Letter of Credit via the intermediating bank indicated by the Applicant.
6. The Bank shall notify the Applicant of the fulfilment of the conditions set out in the Letter of Credit, entitling the Beneficiary to receive the payment and of the date on which the payment under the Letter of Credit will be made.
7. The Bank shall make the payment regardless the validity and legal effects of any agreements concluded by and between the Applicant and the Beneficiary only on the basis of the documents meeting the conditions of the Letter of Credit or upon a call of the intermediating bank, together with commissions and fees due to that bank. The Bank is not obliged to check the circumstances resulting from the submitted documents and shall not be responsible for the authenticity or legal effect of any of them.
8. The Bank's opinion as regards compliance of the documents received from the Beneficiary with the conditions of the Letter of Credit shall be conclusive and, in the absence of manifest errors, binding for the Applicant.
9. If the documents presented at the Bank contain discrepancies with the conditions of the Letter of Credit, the Bank shall notify the Applicant of them, explaining the nature of such discrepancies. A payment for the documents not meeting the conditions of the Letter of Credit may be made after accepting discrepancies by the Applicant and upon its instruction submitted in the form specified by the Bank.

## **CHAPTER VII MULTI-PRODUCT FINANCING**

1. The Bank – on the principles set out in the Regulations and in the relevant Framework Agreement and the Implementation Agreements – shall provide the indicated Products to the Customer, up to the Limit amount.
2. The Framework Agreement sets out the conditions of the Customer's utilisation of the Limit provided by the Bank in the form of:
  - 1/ Guarantee Line or
  - 2/ Current Business Loan Facility, which may also cover the products not listed in the Regulations, defined in the Framework Agreement and the Implementation Agreements.
3. Within the Limit the Bank may determine the maximum amounts (Product sublimits), which may be allocated by the Customer to specific Products indicated in the Framework Agreement.
4. The Products covered by the Framework Agreement may be provided in the Base currency and in other currencies specified in this Agreement.
5. The total amount of the Customer's liabilities under the Implementation Agreements nominated in the Base currency may not exceed the amount of the Limit set out in the Framework Agreement.
6. Each Product provided under the Implementation Agreement reduces the available amount of the Limit or the Product sublimit.
7. Each total repayment of the Loan or expiry of the Customer's liabilities under the Implementation Agreement taking place during the period of utilisation of the Limit increases the available amount of the Limit or the Product sublimit for utilisation.
8. If as a result of a change in the exchange rates of the currencies, in which the Products are recorded, the Limit or the Product sublimit is exceeded, the Bank, during the period of utilisation of the Limit shall refuse:
  - 1/ to provide new Products and
  - 2/ increase the amount or extend the validity date or the repayment date of active Products,
 until the decrease of the Customer's liabilities amount under the concluded Implementation Agreements, as a result of their settlement or repayment (in part or in full) or as a result of a change in the exchange rates of the currencies used for conversions.
9. If the Limit referred to above is exceeded as a result of the Guarantees or the Letters of Credit provided in the currency other than the Limit currency, the Customer is obliged to establish a security deposit in favour of the Bank. A security deposit in the amount of a difference between the actual utilisation and the acceptable amount of the Limit shall be established during 5 Business Days from the date of receiving a written notification that the Limit amount has been exceeded. A security deposit shall be established in the manner and upon the conditions specified by the Bank. A template of the security deposit agreement constitutes an appendix to the Framework Agreement.

## **CHAPTER VIII FEES AND COMMISSIONS**

1. Unless otherwise stipulated in the Agreement, for the provided Product the Bank shall collect fees and commissions set in the "Tariff of banking fees and commissions of mBank for SME and Corporates", published on the Portal.
2. A change in the "Tariff of banking fees and commissions of mBank for SME and Corporates" shall be made as per the procedure specified in the Bank Account Agreement binding for the Parties and shall not require signing an annex to the Agreement.
3. The Bank's fees and commissions, commissions of intermediating banks, as well as any other charges and costs resulting from providing and processing the Products, shall be collected by the Bank from the Customer's Account within the time limits and on the principles set out in the Agreement and under the authorisation included therein.
4. Commissions on the unutilised amount of the Loan or the Limit, determined per annum, shall be calculated for the actual number of calendar days within the period of validity of the right to incur debt or to use the Loan, adopting the number of days in a year corresponding to the one used for calculation interest on Loans.
5. Properly calculated and paid commissions are not recoverable also if the Customer does not use the Product made available by the Bank.
6. The Bank shall notify the Borrower of the amount of the collected interest, commissions and fees in the Account statement.
7. If within the validity of the Agreement, in connection with its conclusion or execution, the Bank becomes obliged by any generally applicable legal regulation to establish, transfer or maintain any specific provisions, write-downs, special funds, deposits or to pay taxes, fees or any charges, including the charges calculated on the basis of the value of Bank's assets, to which the Bank was not obliged to at the time of concluding the Agreement, then the Bank shall be entitled to:
  - 1/ change the level of the fees or commissions, and the manner of their calculation, as appropriate to the changes caused by such legal regulations,
  - 2/ set additional fees or commissions to the extent corresponding to the costs incurred by the Bank resulting of the implemented law changes.
 Changes in the fees or commissions and the manner of their calculation, or the set fees and commissions shall be binding from the date specified by the Bank, according to the effective date of the amended legal regulations. The Bank shall notify the Customer in writing of any change in the conditions of the Agreement in the scope resulting from the reasons specified above.

## **CHAPTER IX COLLATERALS**

1. The Bank accepts Collaterals in the form of:
  - 1/ blank bill of exchange (including a bill with aval),
  - 2/ bank guarantee,
  - 3/ surety,
  - 4/ letter of comfort,
  - 5/ contractual mortgage,

- 6/ registered pledge,
  - 7/ financial pledge,
  - 8/ transfer of ownership of property,
  - 9/ blocking of funds in a bank account,
  - 10/ blocking of securities on the investment account,
  - 11/ assignment of claims or rights,
  - 12/ cash security deposit,
- or other agreed with the Customer.
2. A confirmation of securing the Bank's claims is the Collateral Agreement concluded by the Bank with the Customer or a third party or another document confirming the establishment of the Collateral.
  3. In the case of establishing a property security on the assets of the Customer or a third party, the Customer is obliged to provide the insurance of such assets for the whole term of the Agreement and each time to assign claims thereunder to the Bank.
  4. All costs related to establishing the collateral, insuring the object and changing or recalling the Collateral shall be borne by the Customer.
  5. The Customer shall immediately notify the Bank in writing of the decreases of the existing Collateral. At the Bank's request, the Customer shall secure the repayment of the Bank's receivables resulting from the Agreement in another form accepted by the Bank.
  6. In case of undertaking debt collection activities, the choice and sequence of the enforcement object shall be decided by the Bank.

## **CHAPTER X**

### **REPAYMENT OF RECEIVABLES**

1. The Customer is obliged to timely repay the Bank's receivables, interest, commissions, fees and costs under the Agreements and the Collateral Agreements, on a priority basis prior to other payments, in the currency of the Product or an equivalent in another currency.
2. The date of repayment of the Customer's liability shall be the day of debiting the Account or Accounts according to the Agreement or – if sufficient funds are not deposited in the Accounts indicated in the Agreement – the day of inflow of funds into the Bank's account.
3. The amount of the Customer's liability shall be converted at the rate from the Foreign Exchange Rates Table of mBank S.A. on the repayment date, with the observance of the following principles:
  - 1/ if the Account is held in zloty, and an amount due is denominated in a foreign currency, the Bank shall debit such an Account with the zloty equivalent of the amount due, using the selling rate for the currency of the liability,
  - 2/ if the Account is held in a foreign currency and an amount due is denominated in another foreign currency, the Bank shall calculate the zloty equivalent of the amount due at a selling rate for the currency of the amount due and debit the Account with the equivalent of the amount due in the Account currency converted at a buying rate,
  - 3/ if the Account is held in a foreign currency, and the amount due is denominated in zloty, the Bank shall debit such an Account with the equivalent of the amount due in the Account currency converted at a buying rate for the Account currency.
4. Amounts due from the Customer under the Agreements, which have not been repaid within the due dates specified therein or at the Bank's request, shall become Overdue Debt or Extorted Receivable.
5. From the date of occurrence of Overdue Debt or Extorted Receivable until the date immediately preceding the actual repayment of the Bank's receivables, the Customer shall pay delay interest in the amount of the maximum delay interest as prescribed in the Civil Code.
6. The Bank shall settle receivables under the Agreement in the following order:
  - 1/ costs, expenses and other official payments incurred by the Bank, which should be borne by the Customer by virtue of law or in accordance with the Agreement,
  - 2/ fees and commissions due to the Bank,
  - 3/ statutory default interest on Extorted Receivable or Overdue Debt covered by a writ of execution,
  - 4/ contractual interest on Extorted Receivable or Overdue Debt,
  - 5/ simple contractual interest,
  - 6/ the principal.
7. Repayment will not be accounted to cover the debt if the Bank's receivables hereunder paid by the Customer or by a third party are returned or the payment is cancelled in another way, by a decision of a duly authorised body.

## **CHAPTER XI**

### **DECLARATIONS**

By concluding the Agreement the Customer declares that:

- 1/ it conducts and agrees to conduct its business activity in accordance with the applicable law, holding within the term of the Agreement all required concessions, permits, licences, approvals of the competent authorities to conduct the business activity or certificates on entries in the register of regulated activities and other documents, if this obligation results from separate legal regulations,
- 2/ it is not a party to or a participant in any court, administrative, arbitration or any other proceedings that, when settled, could have an adverse impact on its assets and business activities, or that put or could put at risk the timely repayment of the liabilities arising from this Agreement. If such proceedings are pending, then the Customer shall submit the relevant written information in the form specified by the Bank,
- 3/ all documents to be delivered to the Bank have been and will be submitted on its behalf, regardless the form of the document and the manner of its delivery,
- 4/ The Agreement was signed by persons fully authorised to do so and any declarations and information submitted by the Customer to the Bank in any form are true, complete and free of any omissions,
- 5/ The Agreement is fully consistent with the internal regulations of the Customer's company, particularly with its founding documents and documents specifying the scope of its business activity,
- 6/ The Agreement is not contradictory to the concessions, permits, licences, approvals of competent bodies for conducting business activity, registrations and other legal provisions as well any agreements or other liabilities of the Customer,
- 7/ the Customer has read the information available on the Portal, describing the market risk, in particular the interest rate risk and the currency risk, which may affect the amount of the Customer's debt and the Product service costs (it applies to the Products secured by a mortgage).

## **CHAPTER XII**

### **LIABILITIES**

By signing the Agreement the Customer undertakes:

- 1/ not to grant authorisations for third parties to access the Accounts, without prior written consent of the Bank (except for authorisations granted to employees of the Customer) and to obtain the Bank's prior consent in the case of establishing an assignment of rights from the Account agreements or otherwise limiting the disposal of Accounts for the benefit of third parties,



- 2/ not to encumber the assets constituting the Collateral in favour of other creditors,
- 3/ not to change the basic objects of the activity without the Bank's consent,
- 4/ to notify the Bank of organisational and economic events (including ownership and capital changes, changes of persons holding management positions, initiated litigation and administrative proceedings, in particular enforcement proceedings) having a significant impact on the legal, financial or economic situation of the Customer. The Bank reserves the right to assess whether the changes introduced or events occurring do not increase the risk of default,
- 5/ to notify the Bank of changes in its address or stamp, in the statistical identification number REGON or of any other features registered in the IT system of the Bank,
- 6/ to provide explanations and present documents relating to the Customer's financial standing, at each request of the Bank,
- 7/ to maintain continuity of insurance of the Customer's assets against theft, fire and other perils;
- 8/ to keep the company's books and reports in an adequate manner and have their annual financial statements audited by an independent registered auditor in accordance with the applicable laws, if such an audit is required by the applicable laws,
- 9/ to deliver to the Bank:
  - a/ a copy of F-01 GUS (Central Statistical Office) report, immediately after the preparation thereof, in accordance with the applicable laws, and if the Customer is not obliged to prepare such a report, the information on its performance in the form agreed with the Bank within 25 days from the last day of each calendar quarter (in the case of companies listed on the WSE this obligation is deemed fulfilled by publishing a report on the Customer's website), including additional information or explanations on the financial standing required by the Bank,
  - b/ a copy of annual financial statements, immediately after its preparation, but not later than within 3 months from the balance sheet date and again after the audit thereof by a statutory auditor, including the auditor's report, if the audit is required by the applicable regulations, immediately after the audit, but not later than within 6 months from the balance sheet date (in the case of companies listed on the WSE this obligation is deemed fulfilled by publishing a report on the Customer's website), including additional information or explanations on the financial standing as required by the Bank,
  - c/ a copy of annual consolidated financial statements and the report on the capital group operations, if their preparation is required, together with the opinion of a statutory auditor, immediately after its approval, but not later than within 8 months from the balance sheet date (applies to Customers belonging to the capital group),
  - d/ in each calendar quarter – the information on derivative transactions concluded with another banks, including: the bank's name, type of transaction, volume, term, current valuation, collateral, the value of limits held at other banks for derivative transactions and to notify the Bank of the intent to conclude a derivative transaction with other bank,
  - e/ a declaration on the amount of existing and planned debt at other banks and financial institutions, together with the repayment dates – at the Bank's request,
  - f/ a certificate confirming that there are no arrears in payments to the Social Insurance Institution and the tax office – at the Bank's request,
  - g/ other information and documents, which at the Bank's opinion will be necessary for assessment of the current legal, economic and financial situation of the Customer or its assets,
- 10/ to inform the Bank of any changes relating to its accounts at other banks,
- 11/ to grant the Bank access to their seat for the purpose of assessment of their financial standing, including access to accounting records and other business documents, in the case of well-founded fear of the Customer's default,
- 12/ to treat their liabilities to the Bank, arising from the Agreement, at least on equal terms (*pari passu*) with all other, current and future liabilities due to financial indebtedness, except for those liabilities that must be satisfied on a preferential basis under the mandatory legal regulations,
- 13/ not to utilise the Loan for limiting their liabilities towards other banks on the last day of the month,
- 14/ to properly implement the provisions of other agreements concluded by the Customer with the Bank,
- 15/ to promptly inform the Bank in writing in the case of a balance sheet loss, initiation of the Customer's liquidation or insolvency (particularly filing a bankruptcy petition or a petition for restructuring or initiation of the Customer's liquidation),
- 16/ to address inquires to the Bank and to enable the Bank or any entity from the mBank Group to submit an offer, if the Customer or a subsidiary from the Customer's capital group (the "Company of the Group") intends to use:
  - a/ leasing or factoring services,
  - b/ documentary collection, documentary letters of credit, bank guarantees, discounting receivables, forfaiting and other transactions and trade finance programs,
  - c/ services of an investment bank, of a brokerage house or a consultancy firm including in their scope of activity transactions of the capital and investment market or ownership transformation and mergers within and outside the scope of the Companies of the Group.

## CHAPTER XIII

### EVENTS OF DEFAULT AND THEIR CONSEQUENCES

1. Each of the following events may be regarded by the Bank, in relation to the Customer, as an Event of Default:
  - 1/ a failure to fulfil the conditions of providing the Product (granting the Limit),
  - 2/ utilisation of the Product in a manner that is inconsistent with its purpose,
  - 3/ the deterioration of the economic and financial situation or property status in a manner that poses a threat to the timely repayment of the liabilities arising from the Agreement (including, in particular, a failure to achieve the indicators arising hereunder),
  - 4/ the occurrence of any events having a significant impact on the legal, financial or economic situation of the Customer, which in the Bank's opinion may cause an increase of the risk of default,
  - 5/ filing a bankruptcy petition or a petition for restructuring against the Customer or initiation of the Customer's liquidation,
  - 6/ any court or administrative proceedings being initiated against the Customer, the result of which could cause a threat to the Customer's financial standing or its existence,
  - 7/ any enforcement proceedings being initiated against the Customer,
  - 8/ significant decrease in the real value of the collateral as compared with the situation when a decision on providing the Product (the Limit) was taken,
  - 9/ a failure to meet the liability repayment dates provided for in the Agreement,
  - 10/ breach of the Agreement stipulation.
2. If an Event of Default occurs, the Bank may withhold the Customer's right to further utilise the Product or – after notifying the Customer in writing – undertake the following activities at its own choice and at the sequence set at its sole discretion, taking into account the nature of the Product:
  - 1/ demand an additional Collateral or demand that a restructuring program is presented by a specific deadline and subsequently carried out after the Bank's approval,
  - 2/ withhold disbursement of the Products under the Framework Agreement or reduce the amount of the granted Product (Limit) by the unused part of the entitlement, with effect as from the Business Day following the date of delivery of a written notification to the Customer,
  - 3/ terminated the Agreement in whole or in part,
  - 4/ set off its claim under the Product against the Customer's claim under each Bank Account Agreement held by the Bank in favour of the Customer,
  - 5/ undertake other activities provided for in the Agreement or by generally applicable legal regulations.
3. In the case of withholding the right to utilise the Product (Limit) or to reduce its amount, the Customer is not entitled to submit Applications or Payment Orders except for Orders concerning repayment of amounts due to the Products. The Bank shall assess the current situation and shall immediately notify the Customer of the terms and conditions of providing further access to the Product (Limit).



4. If the Agreement is terminated, the Customer shall ultimately lose the right to submit Applications or Payment Orders except for Orders concerning repayment of amounts due under the Products.
5. The termination notice period shall be 30 days, and in the case of impending bankruptcy of the Customer shall be 7 days.
6. The Customer is obliged to repay the liabilities arising from the Agreement on the last day of the termination notice period at the latest.
7. Termination of the Framework Agreement has no impact on validity of the Customer's liabilities towards the Bank arising from the provided Guarantees and Letters of Credit.
8. The Bank may terminate the Agreement without previous notice, if it finds that the Customer:
  - 1/ has submitted false documents or has presented false data as the basis for providing the Product (or Limit) and repayment of the Customer's liabilities, or
  - 2/ has submitted untrue declarations regarding the legal security for the repayment of the liabilities resulting from the Product.

## **CHAPTER XIV FINAL PROVISIONS**

1. Declarations and obligations of the Customer shall be deemed confirmed on the date of signing the Agreement by the Customer.
2. In the case of discrepancies between the provisions of the Agreement and the Regulations, the provisions included in the Agreement shall prevail.
3. If the Bank does not demand the performance of any provision of the Agreement, this shall not mean that the Bank waives any of its rights resulting from that provision or any other provisions of the Agreement.
4. Should any provisions of this Agreement and of the agreements attached hereto become invalid, the remaining provisions shall continue to be binding on the Parties.
5. Any notices exchanged between the Bank and the Customer in connection with the Agreement in writing shall be sent to the addresses of the Parties indicated in the Agreement.
6. The delivery date of a written notice shall also be the date of the first advice of an undelivered registered letter, sent by the Bank to the last known address of the Customer.
7. The Customer should submit at the Bank a request regarding amendments to the Agreement no later than 30 days prior to the intended date for the amendment implementation.
8. Within the scope of the payment services provided under the Agreement, the provisions of Chapter II of the Act of 19 August 2011 on payment services as well as the provisions of Articles 34, 35-37, 40 sections 3-4, 45, 46 sections 2-5, 47 and 48, and Article 51, Articles 144-146 of the Act on payment services shall not apply, and, whenever permitted, neither shall other legal regulations which modify or amend the said provisions.

## **CHAPTER XV COMPLAINTS**

1. The Customer's complaint concerning the services provided by the Bank under the Agreement may be submitted at any Bank's outlet providing customer service. A list of the Bank's outlets, with addresses, is available on the Portal.
2. Complaints may be filed in writing, orally (by telephone or personally) and electronically, also via the mCN System.
3. A complaint shall include a detailed description of the event raising the Customer's objections, his expectations regarding the solution of the problem, number of the bank account, name and Statistical ID No (REGON) of the Customer and details of the person filing the complaint (full name, telephone number and e-mail address).
4. The Bank shall immediately examine a complaint and shall notify the Customer of the result of the complaint handling procedure within no longer than 30 calendar days from the date of receipt of the complaint. In especially complex cases, the Bank – upon prior notice to the Customer – may extend this deadline up to maximum 60 days.
5. The Bank shall notify the Customer of the result of the complaint handling procedure in writing, or using another durable medium, or – for a Customer being a legal person or unincorporated organisational unit – by e-mail.
6. The Customer may request the Bank to re-examine the matter within 14 days after receiving a reply to the complaint. The appeal, including the data referred to in item 3, should be submitted in writing.
7. The provisions of sections 1–6 shall be without prejudice to the Customer's right to enforce claims against the Bank under generally applicable legal regulations.
8. The Polish Financial Supervision Authority shall be the regulatory authority supervising the Bank's activities.

## **CHAPTER XVI GOVERNING LAW AND JURISDICTION**

1. The legal effects of the concluded Agreements and the provided Products shall be assessed in accordance with the law of the Republic of Poland.
2. The court competent for settlement of disputes that may arise out of or in connection with the conclusion and execution of the Agreements shall be a common court having jurisdiction over the registered office of the Bank or over the Bank's organisational unit indicated in the Agreement.

## **CHAPTER XVII AMENDMENTS TO THE REGULATIONS**

1. The Bank has the right to introduce amendments to the Regulations within the term of the Agreement.
2. The Bank shall notify the Customer of any amendment to the Regulations by announcing and publishing the amended text thereof on the Portal, with the effective date of amendments.
3. The Bank shall transmit a message to the Customer via the mCN System informing about the amendments to the Regulations and their effective date. The date of delivery of amendments to the Regulations to the Customer shall be the eighth day after the entry of the message to the mCN System.
4. Within 14 days of the date of delivery of an amendment to the Regulations, the Customer may submit a written statement of non-approval of the amendment. A failure to submit such a statement within the above-mentioned deadline shall be deemed the approval of the amendment to the Regulations by the Customer.
5. If the Customer submits the statement referred to in item 4, to the extent of the Agreements concluded before the effective date of the amendments, the Customer and the Bank shall be bound by the provisions of the Regulations in the current wording.
6. These Regulations shall be effective as of 31 July 2017.