

## TERMS AND CONDITIONS

The following Terms and Conditions govern the relations between the Cyprus Development Bank Public Company Limited (the "Bank") and its Customer (the "Customer"). Subject to the provisions of the applicable legislation, these Terms and Conditions may be modified by the Bank at any time and communicated to the Customer by Circular or other appropriate means.

### 1. Communication

#### From the Bank to the Customer

The provisions of the Framework Contract for Payment Services (Framework Contract) regarding the Communication from the Bank to the Customer shall apply to payment accounts and all other accounts.

#### From the Customer to the Bank

The provisions of the Framework Contract regarding the Communication from the Customer to the Bank shall apply to payment accounts and all other accounts. Subject to the provisions of the applicable law, the Customer hereby authorises the Bank from time to time (without further authorisation or notice to or from the Customer and until the Customer gives the Bank written notice to the contrary) to accept all instructions given or purported to be given by the Customer or on his behalf by fax transmission or by phone or by any other electronic or mechanical means or processes or otherwise, in relation to any credit or debit account of the Customer (current or future, including any deposit accounts of the Customer, loans and current accounts) and such instructions may relate to payments, transfer of funds, renewals, deposits, withdrawals of funds, cancellations, purchase/sale of foreign currencies, use of cards or another matter concerning cards and in relation to any other matter whatsoever ("Instructions").

It is provided that the Bank is entitled but not obliged to act upon Instructions given in the ways referred to above, and the Bank may, at its discretion, refuse execution of Instructions, including without limitation, the case where it has not been satisfied in relation to the authenticity of such Instructions or it considers there are ambiguities.

It is provided that, in case where the Instructions are given using a test key code ("Test Key Code") the Test Key Code procedures described in the Test Key Code Schedule to these Terms and Conditions ("the Schedule") shall be followed.

In consideration of the Bank agreeing to act on Instructions, the Customer hereby undertakes to keep the Bank at all times harmless and indemnified against all losses, costs, damages, claims, demands and expenses which the Bank may incur or sustain through the Bank acting upon any such Instructions regardless of whether or not:

- (a) Such Instructions (including any Test Key Code) are made, given or transmitted without the authority of the Customer; or
- (b) Such losses and other matters mentioned above arise directly or indirectly from any operational or mechanical failure or fault or any error howsoever occurring in the course of the making, giving or transmitting of the Instructions (including any Test Key Code) whether relating to equipment belonging to the Customer, the Bank or any other party.

In relation to any Instructions, in case of use of Test Key Code, it shall be sufficient for the Bank to verify the relevant Test Key Code in accordance with the provisions of the Schedule and the Bank shall not be under any duty to further verify the authenticity, accuracy or validity of any such Instructions (including any Test Key Code). The Customer further agrees that the Instructions or a photocopy thereof shall be conclusive evidence of any such Instructions.

Subject to the provisions of the applicable law, the Bank may act in accordance with any Instructions without it being under any duty to verify the authenticity, accuracy or validity of any such Instructions and in respect of fax transmissions or other electronic communication using a Test Key Code regardless of whether any signature(s) appear(s) to have been added and if any signature(s) is or are in accordance with any mandate of the Customer.

The authorisation and indemnity contained herein shall not be prejudiced by any confirmation or other communications relating to any Instructions or by the absence of such thing.

The Bank shall deliver the Test Key Code Lists referred to in the Schedule to the account(s) holder or any of the account holders (where joint account(s)) or to the authorised attorney of the account holder as per the Power of Attorney already submitted to the Bank (if applicable).

The Customer confirms that notifications referred to hereinabove and Acknowledgements referred to in the Schedule may be signed by any party authorised to sign (whether solely or jointly with other(s)) for any purpose in accordance with the mandate of the Customer effective at the relevant time. The Bank shall be entitled to act on any such notification or acknowledgement regardless of whether they are given with or without the authorisation of the Customer and the Bank shall incur no liability of any kind for so acting. The Customer acknowledges that he is fully aware of the risks involved in the giving of the authorisation and indemnity contained in these Terms and Conditions.

In the event however, that the Customer has nevertheless chosen to give Instructions to the Bank without the use of Test Key Code, the Bank may at its discretion decide to act on the Instructions and the Customer shall be fully responsible for all and any consequences of the Bank acting on Instructions which are given without the use of Test Key Code. The Customer shall keep the Bank fully indemnified for any loss or damage arising as a result thereof.

## **2. Right of Set-off**

The Bank has the right of set-off between all the accounts and assets (of whatever currency and denomination) of the Customer with the Bank (whether any such account is a notice account or a fixed deposit or a current account or any other type of account) and for the purposes of any such set-off and/or of payment or security of any obligations of the Customer to the Bank (due or to become due, actual or contingent, primary or collateral, joint or several), all such accounts are regarded as one account. The Bank has the right of lien over all items deposited or held by the Bank and may, at its discretion, realise such items if the Customer fails to fulfil any of his obligations mentioned above to the Bank. Notwithstanding, and without prejudice to any such right of set-off and lien as aforesaid, the Bank may, at its discretion, refuse to allow withdrawals from any account of the Customer for such an amount as may be deemed necessary to cover or pay or secure any such obligations of the Customer to the Bank mentioned above.

## **3. Type of account(s)**

Amounts received will be maintained as current account deposits ('the Current Account'), unless a notice account or fixed deposit or any other type of account is created upon Customer's request, in respect of such amounts. The Bank maintains the right, at its absolute discretion, to transfer and/or convert amounts standing in a notice account or fixed deposit or any other type of account to amounts standing in any Current Account, in case the amounts of any Current Account fall below the minimum amount, as required by the Bank in accordance with the Bank's practice from time to time, in order to settle or maintain the Current Account(s).

## **4. Authorised Signatories**

The Customer must provide the Bank, in writing and in form acceptable to the Bank, with a list of persons authorised to sign on any type of account(s), together with specimens of their signatures. These instructions and signatures remain valid until written notification of a change is received by the Bank from the Customer.

## **5. Credits/Debits/Conversions/Charges**

Any amount received by the Bank to be credited to the benefit of the Customer shall first be credited to a Current Account of the Customer. Once this amount has been cleared and once the Bank receives actual final payment thereof (where applicable), such amount shall be credited to the type of account(s) specified by the Customer. The acceptance by the Bank of funds to the credit of or for deposit in the Customer's specified account(s) will be at the discretion of the Bank. Payments may be accepted by the Bank in the form of cash, cheques of banks, bankers' drafts or other bank obligations. Similarly, payments of the balance of any account of the Customer (other than a Current Account), at maturity (where applicable), shall first be credited to a Current Account and then paid to the Customer in accordance with the Customer's Instructions.

Subject to the provisions of the applicable law, items credited by the Bank in favour of the Customer are subject to receipt by the Bank of actual final payment thereof. If any item has been credited to the Customer's account and if such item or any cheque, banker's draft or bank obligation received by the Bank is not paid in due course, or even though payment is made the Bank receives notice, at any time thereafter, of a claim of fraud, forgery or alteration in relation to such cheque,

banker's draft or bank obligation, the Bank shall have a right of recourse and in particular the right to charge back to the said account the amount of such item, regardless of the form of any item or of any endorsement thereof, and whether or not the Bank permits withdrawals against any credit given for such item. In making collections on behalf of the Customer the Bank acts only as agent and at the Customer's risk and on the understanding that no liability whatsoever is attached to the Bank in connection therewith.

It is noted that, in some instances, the Current Account may be debited in excess of the available balance and in such instance the said excess amount will bear debit interest with a fixed annual interest rate to be determined by the Bank from time to time. In addition, the account will be charged on the debit balances with past due interest on arrears up to the percentage allowed at any time by the law. The said interest will be calculated, charged and paid every six months, namely on the 30<sup>th</sup> of June and the 31<sup>st</sup> of December of each and every year, until full repayment. The Customer shall be obliged to repay the whole amount in excess plus debit interest without the need for a demand for such payment on the part of the Bank. The Customer is also charged with all the taxes or fees of any kind which may be requested due to the deposit, overdraft, income, guarantees etc. by the Customer, even if the payment is required and made after the closing of the relevant Account.

The Bank shall have the right to debit any charges and/or fees and/or commissions applicable from time to time for any services rendered in relation to the account(s) of the Customer according to the Bank's Commissions and Charges Table. Such charges and/or fees and/or commissions as well as all costs incurred by the Bank relating to the execution of Instructions given by the Customer and/or the operation of any of the account(s) of the Customer (including any charges for freezing, seizing or placing a charge on any of the account(s) of the Customer, or guarantor or any other security provider), shall be borne by the Customer at the applicable rates and tariffs of the Bank and shall be debited to the Current Account of the Customer. A copy of the Bank's Commissions and Charges Table is available at all of the Bank's branches, as well as on the Bank's website at [www.cdb.com.cy](http://www.cdb.com.cy). In case of review of the commissions and charges, the revised Commission and Charges Table shall be available at the Bank's branches and shall be published on the Bank's website at [www.cdb.com.cy](http://www.cdb.com.cy) or will be notified to the Customer in a manner that the Bank deems most appropriate and according to the provisions of the applicable law.

In cases of negative interest, the calculation is based on the daily credit balance and the accrued interest is taken into account in calculating the available balance of the account. In such cases, the interest is capitalised and debited on 30/06 and 31/12 or at the closing of the account.

## **6. Fixed Deposit**

In relation to fixed deposit ("Fixed Deposit") the following will apply, in addition and without prejudice, to these Terms and Conditions:

- (a) The Bank will issue to the Customer a Fixed Deposit advice, specifying the principal amount of the Fixed Deposit, the Customer's name, the reference number, the value date, the maturity date, and the interest rate applicable and any other details that the Bank may deem appropriate. It is provided that the interest rate might be negative.
- (b) The amount of the Fixed Deposit will be maintained in the account until the maturity date specified in the Fixed Deposit customer advice.
- (c) The interest rate paid on the Fixed Deposit is fixed at the outset and will depend on the amount and term of the deposit. Interest is paid at maturity, net of any charges of the Bank and any taxes, charges etc that may be required by the applicable law.
- (d) The Customer may request repayment of the Fixed Deposit by giving the Bank written notice at least two business days prior to the maturity date. In such a case, the Fixed Deposit will be paid on the maturity date in the currency of the Fixed Deposit or the equivalent thereof in such other currency as the Customer may request, provided that such Instructions are acceptable by the Bank.
- (e) Unless written instructions to the contrary are given to the Bank as under (d) above, the principal amount of the Fixed Deposit, at maturity, together with accrued interest, will be automatically rolled over for a term equal to that which ended on the maturity date. In such a case, the interest rate to be applied to the Fixed Deposit shall be the interest rate prevailing and applicable on the starting day of the new Fixed Deposit. Confirmation of roll over, the new maturity date and the interest rate, will be advised to the Customer by a new Fixed Deposit advice.

- (f) If the whole or any part of the Fixed Deposit is allowed by the Bank to be withdrawn before the maturity date, interest may not be due or payable on the amount so withdrawn at the absolute discretion of the Bank, for the whole or any part of the relevant term for which the Fixed Deposit was settled and/or at the agreed rate. Furthermore, an early withdrawal fee may be charged at the absolute discretion of the Bank in accordance with the Bank's Commissions and Charges Table applicable at the time. In this case the Fixed Deposit advice will be automatically cancelled whether it is returned to the Bank or not.
- (g) The Fixed Deposit will remain in the currency as per the initial Instructions of the Customer, unless the Customer advises the Bank in writing at least two business days before the maturity date stating that he wishes the Fixed Deposit to be converted on the maturity date into another currency. The Bank will advise the Customer in writing whether the conversion of the Fixed Deposit into such currency is acceptable by the Bank or not. If the currency requested by the Customer is not acceptable by the Bank, the Fixed Deposit will remain in the currency in which it is outstanding, unless the Customer gives written notice of another currency which is acceptable by the Bank.

## **7. Notice Account**

In relation to notice account ("Notice Account") the following will apply, in addition and without prejudice to these Terms and Conditions:

- (a) For each deposit made into a Notice Account, a deposit receipt will be issued and given/posted to the Customer as physical evidence of the transaction.
- (b) The interest rate paid on the Notice Account varies and will depend on the amount of the deposit and the notice period. Interest is capitalised once a year and is paid net of any charges of the Bank and any taxes, charges etc that may be required by the applicable law. Subject to the provisions of the law, the Bank may at any time reduce, increase or otherwise vary the interest rate of the Notice Account. Any such variation will become effective immediately and be communicated to the Customer by any means or in any way the Bank deems appropriate. It is provided that the interest rate might be negative.
- (c) Funds from a Notice Account can only be withdrawn upon expiry of the relevant notification given by the Customer in accordance with the notice period of the specific Notice Account. Should there be a withdrawal earlier than the required notice, an early withdrawal fee may be charged at the absolute discretion of the Bank.

## **8. Savings Account**

In relation to savings account ("The Savers Account") the following will apply, in addition and without prejudice to these Terms and Conditions:

- (a) The Bank offers two different types of Savers Accounts – a Weekly Savers Account and a Monthly Savers Account.
- (b) The Savers Account will only admit deposits in Euros.
- (c) Withdrawals from the Savers Account can only be made on specific days: For the Monthly Savers Account, withdrawals can be made only on the first working day of the month and for the Weekly Savers Account withdrawals can only be made on the first working day of the week.
- (d) The granting of permission for the withdrawal of the whole or any part of the Savers Account by the Customer on days other than those articulated in section 8 (c) above is a matter for the absolute discretion of the Bank, and involves its prior special approval. If such permission is granted, the Bank has the right to charge an early withdrawal fee, which shall be calculated by the Bank depending on the type of the Savers Account.
- (e) Withdrawals from the Savers Account may be of any sum. The amount withdrawn will be transferred to the Customer's related Current Account.
- (f) The interest on the Savers Accounts shall vary, depending on the type of the Savers Account.

- (g) Subject to the provisions of the law, the Bank shall be able at any time to reduce, increase or otherwise vary the interest rate of the Savers Account. Any such variation will become effective immediately and will be communicated to the Customer by any means or in any way the Banks deems appropriate. It is provided that the interest rate might be negative.
- (h) Interest will be calculated on a daily basis on the cleared balance of the Savers Account.
- (i) Interest will be payable on the 31<sup>st</sup> of December every year, net of any fees and charges of the Bank and of any taxes, charges etc that may be required by law from time to time.
- (j) Deposits in the Savers Account can be made at any time in the form of cash, cheques, electronic transfers etc.

## 9. Cheques

In addition and without prejudice to these Terms and Conditions, the Customer is obliged and undertakes to keep all chequebooks issued at a safe and secure place and undertakes the responsibility for the immediate return of all the unused cheques as soon as he is informed by the Bank so to act. The Customer further declares that he has been duly informed of the regulations for the issuing of cheques and acknowledges the necessity to fill in carefully all cheques and agrees that he will not issue cheques in a way that will make their alteration difficult to be identified. The Customer further declares that he will immediately notify the Bank, in writing, about any loss or theft of his chequebook or any cheque.

If any cheques drawn by the Customer on any account held by the Customer with any banking or other financial institution, are not honoured due to "insufficiency of funds" as such term is defined in the applicable law, the Customer's name and particulars shall be filed with the "Central Information Register for the Issuers of Dishonoured Cheques" (CIR) kept for this purpose by the Central Bank of Cyprus. Thereupon the Customer shall be immediately prevented from carrying out any transactions with respect to his Current Account with the Bank until the Customer's name is written off the CIR.

## 10. Force Majeure

The Bank shall not be liable for any loss whatsoever which the Customer suffers if it is prevented from providing the Customer with any banking or other services by reason of strikes, industrial action, failure of power supplies or equipment, labour disputes, war, natural disasters, acts of God, fire or floods, act or decree by the Government or by Government Organisations or Service or organized entities that exercise state power either on de jure or de facto basis, delays, errors or omissions or inability to execute any service like mail, telegraph, wired or wireless telephony, and generally situations that cannot be controlled and whose consequences could not be avoided despite efforts to the contrary.

## 11. General

Subject to the provisions of the Framework Contract to the extent applicable and applicable law, the Bank reserves the right to refuse any transaction and/or terminate its relationship with a Customer at any time.

These Terms and Conditions shall be governed exclusively by Cyprus Law and the Cyprus Courts shall have exclusive jurisdiction. The taking of proceedings in Cyprus shall not preclude the Bank to take proceedings with regard to any dispute or matter with the Customer in any other jurisdiction concurrently or otherwise.

## 12. Gender and Number

Any reference in these Terms and Conditions in male gender shall also include the female and vice versa and any reference to singular number shall also include plural number and vice versa.

## TEST KEY CODE SCHEDULE

1. The Bank may from time to time supply the Customer with lists of Test Key Codes ("Lists"). For security reasons there will be no mention of the Bank on any List and the Customer agrees to keep the Lists separate from any other documents relating to the Bank and not to mark any List in any way other than to delete Test Key Codes which have been used.

2. Receipt of each List must be acknowledged and the Test Key Codes contained in a List will become operational as soon as such acknowledgement ("Acknowledgement") is received by the Bank duly signed.
- 3.1 A new Test Key Code is to be used in sequential order each time the Customer contacts the Bank to give Instructions.
- 3.2 In the case of Instructions, the communication must clearly include the relevant Test Key Code.
- 3.3 The Test Key Code which the Customer gives to the Bank will be checked against a duplicate list held at the Bank's offices. If the two Test Key Codes match the Bank will be in a position (but not obliged) to carry out the Instructions. The Customer must delete from the List the Test Key Code which has been used. The deleted Test Key Code must not be used again and the next time the Customer should contact the Bank to give Instructions, the Customer must use the next available Test Key Code in the List, in sequential order.
4. The Customer undertakes to comply in all respects with the Bank's instructions regarding Test Key Codes and to ensure that no unauthorised third party is ever able to obtain access to Test Key Codes or Lists.
5. If the Customer has any reason to believe that any Test Key Code or the Lists has or might have been or might be misused or that any unauthorised person may have obtained knowledge thereof, the Customer shall notify the Bank immediately in writing.
6. The Bank may, in the interests of security, at any time and from time to time, amend the procedures relating to the Test Key Code service and communicate any such amendments in writing to the Customer. Any loss or damage which may be incurred due to delay of transmission or due to an error during the use of fax or other electronic services, will be borne by the Customer and the Bank accepts no relevant liability.

## **JOINT ACCOUNT(S) TERMS**

The joint holders of any joint account(s), in their capacity as creditors of the Bank jointly and severally enjoy all rights accruing to them with respect to their joint account(s). In their capacity as debtors, however, they remain jointly and severally responsible to the Bank for all commitments arising out of the joint account(s), particularly for all amounts debited to the joint account(s) including capital, interest, commissions and charges.

Unless otherwise provided in the Account(s) Opening Form - Natural Persons - Joint Account(s), each of the joint account holders shall be entitled to withdraw, individually and without restrictions, any or all of the amount(s) in the joint account(s). Only the signature of one of the joint account holders or of their agent(s) shall be required to validly release the Bank from its responsibilities.

In the event of the death of either or any of the joint account holders, only the surviving joint account holder(s) shall be entitled to continue operating the joint account(s) or to disclose details of the joint account(s) to any third party having a rightful interest therein.

For the closure of a joint account, the Bank should receive written instructions duly signed by all the joint account holders or in case of the death of any of the joint account holders, then all the other survivor(s) should sign for the closure of the joint account.

These terms govern the Bank's relationship with the joint account holders only. Therefore, these terms do not affect any legal relationship possibly existing between the joint account holders, or their rightful heirs, regarding any claims relating to the assets of the account(s).

Unless otherwise specified, the Bank shall be authorised to credit the joint account(s) with all amounts it receives on behalf of any one of the joint account holders.

In the event of receiving contradictory instructions from the joint account holders, the Bank retains the right, in its absolute discretion, to freeze the joint account(s) and notify the joint account holders to this effect, until the joint account holders reach a mutual written decision which they communicate to the Bank or furnish the Bank with a relevant Court Order, whichever occurs first.



The joint account holders jointly and severally agree to release and indemnify the Bank from any damages it may suffer as a result of any claims made in connection with these terms by any one of the joint account holders, their heirs, rightful claimants, or any other third party.