



# GENERAL TERMS AND CONDITIONS

FOR TRANSACTION ACCOUNTS AND PAYMENT SERVICES FOR CONSUMERS

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## 1 GENERAL

These General Terms and Conditions are issued by LON d.d., Kranj, Žanova ulica 3, 4000 Kranj, HYPERLINK "<http://www.lon.si/>" with registration number: 5624908, VAT Number: SI40451372 (hereinafter: LON). LON d.d. is included in the list of banks and savings banks (hereinafter: the bank) holding an authorisation to provide payment services from the Bank of Slovenia, which is published on the website of the Bank of Slovenia, [www.bsi.si](http://www.bsi.si). The competent control authority of LON is the Bank of Slovenia.

The General Terms and Conditions lay down the rights and obligations of LON and the account holder relating to the provision of payment services through the transaction account. The General Terms and Conditions are an integral part of the Agreement on the Operation of the Transaction Account and Payment Services (hereinafter: the Agreement), which is concluded between LON and the account holder.

Other parts of these General Terms and Conditions include the applicable Tariff of LON d.d., Kranj for Personal Services (hereinafter: the Tariff), the Decision on Interest Rates of LON, d.d., Kranj, the Cut-off Times for Payment Transactions of Lon, d.d., Kranj (hereinafter: the Cut-off Times), the existing General Terms and Conditions of the Protection of Personal Data, and the Deposit Guarantee Scheme – Information for Investors. Insofar as the user of the account also uses other services, these other general terms and instructions shall form an integral part of these General Terms and Conditions.

When the General Terms and Conditions are contrary to the provisions of the Agreement, the provisions of the Agreement shall apply. LON and the account holder shall agree that all business operations between them shall be conducted in the Slovenian language.

These General Terms and Conditions shall be made available on the website and in all LON's bank branches.

## 2 DEFINITION OF TERMS

<b>Automated teller machine (or ATM)</b>	A device that permits authorised users to conduct payment transactions, withdraw and deposit cash, and use other services.
<b>Account balance</b>	The sum of all credits in the account plus any authorised overdraft.
<b>Account holder</b>	A natural person, i.e. a consumer, who uses payment services in the capacity of a payer or payee, or both, and who has concluded an Agreement on the Provision of Payment Services with LON.
<b>Account information provision service</b>	An online service to provide consolidated information on one personal bank account or several bank accounts which the account holder has with another payment services provider or with more than one payment services providers.
<b>Account information service provider</b>	A payment service provider which has acquired a suitable authorisation to provide consolidated information on payment accounts held by the account holder with either another payment service provider or with more than one payment service providers.
<b>Alien</b>	A natural person who is not a citizen of the Republic of Slovenia (RS) with permanent residence in the RS or a residence permit for the RS with a validity of more than 6 months.
<b>Authorised overdraft</b>	The arranged credit balance in the account which LON approves to the account holder as authorised overdraft on the basis of the account holder's written application.
<b>Authorised user</b>	Any natural person, in addition to the account holder, who is authorised to have at disposal the assets on the user's account, e.g. a legal representative, guardian or any person authorised on the basis of the user's mandate to have disposal of the assets. The signature of the authorisation holder on the authorisation form must be authenticated by a notary public except when given in the presence of a bank clerk.
<b>Automated teller machine (or ATM)</b>	A device that permits authorised users to conduct payment transactions, withdraw and deposit cash, and use other

	services.
<b>BIC (SWIFT code)</b>	The Bank Identifier Code.
<b>Business day</b>	If the payee holds an account with a payment services provider whose registered office is in the Republic of Slovenia, business day shall mean any day except Saturday, Sunday, state holiday and non-working day according to the applicable legislation. If the payee holds an account with a payment services provider whose registered office is outside the territory of the Republic of Slovenia, business day shall mean any day which is a business day in the Republic of Slovenia and at the same time a business day of all payment services providers involved in the execution of a payment order.
<b>Card user</b>	The holder of the account to whom LON has issued a card. The user (holder) of the card may also be an authorised user of the account holder's transaction account.
<b>Confidential information</b>	All information, facts and circumstances pertaining to an individual user, including all personal information held by the payment services provider or payment services participant.
<b>Consumer</b>	A natural person who concludes with LON a payment service agreement for purposes other than his gainful or occupational activity.
<b>Contactless operations</b>	Operations with Maestro bank cards without a direct contact between the card and the contactless terminal, POS or ATM, which means that the card only needs to be put near the POS or ATM to carry out the transaction. Up to a certain amount, contactless operations also allow for purchases without entering the PIN or signing the slip. The amount up to which contactless operations are possible without entering the PIN or signing the slip are published on LON's website. A PIN must always be entered at ATMs.
<b>Credit transfer</b>	A payment service where the payer initiates execution of one or several payment transactions to the payment service provider. Credit transfers include: payment order, remittance slip, standing order, and direct debit.
<b>Cross-border payment transaction</b>	A payment transaction in the currency of the Member State, in which both the payer's bank and the payee's bank perform the payment service for the payer and/or payee in the territory of different Member States. The payment transaction shall also be executed cross-border if the same bank performs payment services for the payer in one Member State and for the payee in another Member State.
<b>Cut-off times</b>	The valid schedule (cut-off times) of payment services which is available at LON offices or website: <a href="http://www.lon.si">www.lon.si</a> .
<b>Debit card</b>	An Activa Maestro card used for the purchase or withdrawal which is directly debited from the transaction account.
<b>Decision on interest rates</b>	The currently valid Decision on Interest Rates of LON d.d., which defines the interest rates on payment services and maintenance of transaction accounts. account holder may acquaint himself with the contents of the document at LON's branch banks, or on the website: <a href="http://www.lon.si">www.lon.si</a>
<b>Direct debit</b>	A payment service where the payee initiates a payment transaction to debit the payer's account on the basis of a mandate given by the payer.
<b>Domestic payment transaction</b>	A payment transaction in the currency of the Member State in which the payer's bank and the payee's bank, or a single payment services provider for both the payee and the payer, conducts the payment service for the payer and payee in the territory of the Republic of Slovenia.
<b>Effective Interest Rate (EIR)</b>	The percentage rate that expresses the ratio between total overdraft cost for the account holder and total overdraft amount.
<b>eLON online bank</b>	A range of electronic retail banking services for consumers, which provides information on the account balance and transactions, other services, and execution of certain banking products online.
<b>EONIA</b>	The reference interest rate for the Euro zone.
<b>First regular inflow</b>	The inflow from personal income (salary, pension), inflow from student work, scholarship, etc.

<b>Internet fraud</b>	A suspected unauthorised transaction, including disposal or unauthorised acquisition of identification elements, which may result in an unauthorised transfer of cash assets or other unauthorised acts, or disclosure of modification of personal information and/or business secrets.
<b>Legal capacity</b>	Full active legal capacity is attained when an individual reaches the age of 18, concludes a valid marriage before becoming of age, or, by way of a court decision, by becoming a parent even if not yet of full age.
<b>Member State</b>	A Member State of the European Union or the European Economic Area.
<b>mLON</b>	A mobile banking service which enables account holders to conduct certain banking services on their mobile device.
<b>Non-resident</b>	A natural person whose principal place of residence is abroad and who has no residence permit for the Republic of Slovenia with a validity of no less than 6 months, regardless of the citizenship, even if such person is a Slovenian citizen.
<b>Other payment transactions</b>	Transactions which are executed in any currency of a Member State if the payment transaction is executed by the transfer of funds between at least one bank or savings bank which provides payment services in the territory of the Republic of Slovenia, and a bank or savings bank which provides payment services in a third country.
<b>Overdraft by instalments</b>	The agreed credit balance in the account which is reduced in accordance with the arrangement made by the account holder and LON. The amount, number of instalments, and the maturity date shall be agreed by the account holder and LON by way of an Agreement.
<b>Payee</b>	A natural or legal person who is the intended recipient of funds which are the subject of a payment transaction.
<b>Payer</b>	A natural person who instructs the payment transaction by issuing a payment order or granting consent to the execution of the payment order issued by the payee.
<b>Payment initiation service</b>	A service to carry out the initiation of the payment order at the request of the payment services user relating to the transaction account open with another payment service provider.
<b>Payment initiation service provider</b>	A payment service provider which has acquired a suitable authorisation to carry out the initiation of the payment order at the request of the payment services user relating to the transaction account open with another payment service provider.
<b>Payment instrument</b>	Any device(s) and/or set of procedures agreed between the account holder and LON, and bound by this user, which the account holder applies in order to initiate a payment order (e.g. payment cards, online banking).
<b>Payment order</b>	An instruction to the payer's bank which the payer or the payee use to initiate execution of a payment transaction.
<b>Payment service</b>	A service which includes, in addition to the maintenance of a personal bank account, cash deposits and withdrawals to/from the account and execution of non-cash payment transactions credited or debited to the account. Payment services also cover execution of payment transactions by direct debit, payment cards or other similar instruments, and credit transfers. The payment services provided by LON are specified in detail in these General Terms and Conditions.
<b>Payment transaction</b>	The act of deposit, transfer or withdrawal of cash assets which is initiated by the payer, or in the payer's name, or which is initiated by the payee, whereby the execution of the payment transaction through LON is independent of the fundamental obligations of the payer and payee.
<b>Personal Identification Number (PIN)</b>	A four-digit personal identification number assigned to the card user.
<b>Point of sale</b>	The provider of goods and services which accepts payment card transaction as a form of payment.
<b>POS terminal</b>	An electronic device which is used to process different payment cards, electronic capture of transactions and transfer of data on

	the purchase, payment for goods and/or services by way of payment cards.
<b>Private person</b>	A natural person who is not a business owner and who performs a certain gainful activity, e.g. a notary public, doctor, attorney, farmer.
<b>Reference exchange rate</b>	The exchange rate which is provided by Mastercard International and is used as the basis for calculating any currency exchange for EU Member States and currencies of third countries in executing payment card transactions.
<b>Reference interest rate</b>	The interest rate which is used as the basis for calculating any interest to be applied and which comes from a publicly available independent source which can be verified by both parties.
<b>Representative</b>	The legal representative or custodian who, acting within the scope of a legal authorisation or authorisation granted by a decision of the competent authority, represents the user who has a limited legal capacity or has no legal capacity.
<b>Restrictive measures</b>	Sanctions which countries or international organizations impose on certain countries, international organizations, natural persons, legal persons and other subjects (e.g. terrorist organizations).
<b>SEPA</b>	The Single Euro Payments Area in which payments are conducted under common rules and regulations, within or outside national borders, under equal basic conditions and to equal rights and obligations, irrespective of the geographic area.
<b>Standard overdraft</b>	The minimum approved credit balance on the personal account which LON can approve as the overdraft facility provided the account holder fulfills certain conditions.
<b>Standing order</b>	A credit transfer with which the payer grants LON a written mandate to execute a payment transaction which is repeated in regular intervals.
<b>Strong authentication</b>	Authentication that uses two or more elements classified under the categories of knowledge (something only the user knows), possession (something only the user has), and inherence (something only the user is). These elements are provided independently, which means that violation of one element does not impair the reliability of the others, and designed to protect the confidentiality of data being verified.
<b>Tariff</b>	The Tariff of LON, d.d. for consumers, which lays down the type, amount and manner of payment of fees relating to the use of payment services and maintenance of transaction accounts. The holder may acquaint himself with the contents of the document at LON's branch banks, or on its website.
<b>Third country</b>	A country which is not a Member State of the EU or a signatory state to the European Economic Area Agreement (EEA).
<b>Transaction account</b>	A payment account which LON opens and maintains for the account holder for the purpose of conducting payment transactions and for other purposes related to the provision of banking services for the account holder (hereinafter: account).
<b>Unique identifier (IBAN)</b>	The International Bank Account Number of the bank account/transaction account which a user holds with a bank or a savings bank, and which helps banks to uniquely identify the payer and the payee.
<b>Universal payment order (UPO)</b>	A universal payment order which has been in use since 1 November 2010 and applies to domestic and cross-border payments in euros, which will eventually replace the remittance slip (PP02), bank order (BN02) and regulated payment (RP01). The UPO form is used for non-cash (credit) transfers, cash payments, cash deposits into transaction accounts with the bank or savings bank, and cash withdrawals from transaction accounts with banks and savings banks.
<b>UPO QR</b>	A paper-form payment order with a QR code, which is primarily intended for Slovenian partners. The size of the UPN QR is the same as the standard UPN, and the QR code is placed in the middle of the form and is of universal size, regardless of the QR content.
<b>Value date</b>	The day on which LON credits or debits the account and which is used by LON for the calculation of interest.

<b>ZPlaSSIED</b>	The abbreviation used to denote the Payment Services, Services for Issuing Electronic Money and Payment Systems Act (Official Gazette of RS, no. 7/2018 with amendments).
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### 3 OPENING A TRANSACTION ACCOUNT

LON can open a transaction account for the holder provided the holder complies with the following conditions:

- The holder submits a correctly completed written application to enter into a business relationship.
- The holder submits all documents which enable identification of the account holder and/or authorised user, as well as all the information needed for the keeping of the account register, taking into account the applicable regulations, including the Prevention of Money Laundering and Terrorist Financing Act.
- The holder has read and accepted the General Terms and Conditions.

LON shall approve or reject the application within a period of ten business days from the receipt of the application for opening the account and submission of the complete documentation. LON may reject opening of an account without providing any explanation to justify its decision. The holder may start conducting transactions through the account on the first business day following the approval of the application and conclusion of the Agreement. LON shall conclude with the holder an Agreement for one account denominated in EUR.

### 4 USING A TRANSACTION ACCOUNT

Through the account, LON will conduct for the account holder payment services subject to available funds in the account, in accordance with these General Terms and Conditions, the Agreement and the applicable legislation.

The positive balance in the account is deemed a sight cash deposit in domestic currency held with LON. LON maintains the account and provides payment transactions in EUR. The funds credited to the account holder in foreign currencies for which LON does not manage an account, will be converted and entered in the account in the domestic currency. When converting funds, LON shall use the exchange rate chart published on its website [www.lon.si](http://www.lon.si).

The funds in the account (including the overdraft) may be disposed by the account holder, their authorised person, legal representative or custodian.

#### 4.1 Authorisations and representation

Upon the opening of an account, or later, an account holder who is more than 18 years old may appoint a person of full age and legal capacity to act as an authorised user in terms of disposing of the funds in the transaction account. The authorisation does not extend to the right to issue further authorisations or the right to close the transaction account. The responsibility for payment transactions in the account which were conducted by authorised users are borne by the account holder. The authorised user cannot apply for overdraft or for a payment or credit card.

The signature on the authorisation form must be authenticated by a notary public except when given in the presence of a bank clerk. The authorised user shall have his specimen signature kept by LON. The authorisation shall remain in force until notice in writing of its termination, the closing of the transaction account, or official notice of the death of the account holder or authorised user. The responsibility for any loss incurred prior to the receipt of the termination of the authorisation shall be borne by the account holder.

The account holder is obliged to inform the authorised users of his account about these General Terms and Conditions.

A person who is under 15 years of age or is not legally competent may enter into an Agreement with LON in the presence of and with consent of the legal representative who shall express his consent by signing the Agreement. The legal representatives of minors under 15 years of age are both parents, except when the parental right of one of the parents has been terminated or restricted.

A person who is between 15 and 18 years of age and is a citizen of the Republic of Slovenia, i.e. a person with limited legal capacity, can open a pLONk account with LON (even without a legal representative present, provided the holder submits, in addition to personal identification, a document which clearly shows that he will receive a student grant or any other document that demonstrates independent disposal of funds).

The legal representative or custodian who, acting within the scope of a legal authorisation or authorisation granted by a decision of the competent authority, represents the account holder who has a limited legal capacity or has no legal capacity, may not authorize third parties to act as authorised users in the account. In the case of death of the legal representative, i.e. one of the parents, the right to the disposal of assets of the other authorised parent shall not cease.

The assets of the deceased user will only be made available to his/her heirs on the basis of a final court decision on inheritance; therefore, LON will block the holder's account from the time of receipt of the notice of the holder's death to the receipt of the final court decision.

## 5 TYPES OF TRANSACTION ACCOUNTS AND PACKAGED ACCOUNTS

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Transaction accounts (hereinafter also referred to as: personal bank accounts) differ in the type, purpose and services provided, which determines the amount of monthly account maintenance fee payable by the account holder.

Packaged bank accounts include a regular personal bank account and additional services and products. The services and products which are not defined or included in the packaged account shall be paid in accordance with the Tariff.

### 5.1 Regular personal bank account

A personal bank account is intended for all citizens of the Republic of Slovenia whose principal place of residence is the Republic of Slovenia, and aliens. The account holder shall be legally competent, of full age or more than 15 years old, and in an employment relationship or a recipient of a pension or social transfers.

After the opening of a personal bank account, LON shall issue for the holder an Activa Maestro card with a personal identification number (PIN), which may be used to conduct, in the Republic of Slovenia or abroad, contactless operations on POS terminals and cash withdrawals at ATMs subject to available funds in the account.

In disposing of available funds in the account, the account holder may also use all other services as specified in Section 8 of these General Terms and Conditions.

### 5.2 Golden Package (Zlati paket)

The Golden Package is only available to a Slovenian citizen of full age whose principal place of residence is in the Republic of Slovenia, or an alien. The account holder shall be of full age and full legal capacity. The packaged account is normally intended for clients who receive high monthly inflows on a regular basis.

After the opening of a personal bank account, LON shall issue for the holder an Activa Maestro card with a personal identification number (PIN), which may be used to conduct, in the Republic of Slovenia or abroad, contactless operations on POS terminals and cash withdrawals at ATMs, subject to the availability of funds in the account.

The Golden Package (Zlati paket) provides the following services for a flat monthly fee under the Tariff:

- Personal account maintenance fee,
- Issue of an Activa Maestro card with a personal identification number (PIN),
- Provision of the eLON electronic bank,
- Provision of mLON mobile bank,
- Use of Security SMS notifications for Activa Maestro and Activa Mastercard,
- Standard overdraft of up to EUR 600.00 (subject to compliance with LON's conditions), unless the account holder has applied for an authorised overdraft,
- Unlimited cash withdrawals using the Activa Maestro card at all ATMs in Slovenia and the EU,
- Unlimited SEPA direct debits and standing orders,
- Subscription-free issue of the Activa Maestro card with a personal identification number (PIN).

Services not specified or included in the Golden Package are subject to the fees specified in the Tariff.

### 5.3 Silver Package (Srebrni paket)

The account may be opened by a citizen of the Republic of Slovenia whose principal place of residence is in the Republic of Slovenia, or an alien who receives Slovenian or foreign pension to his account with LON. Prior to opening the account, the holder shall submit a certificate issued by the organization paying the pension.

After the opening of a personal bank account, LON shall issue for the account holder an Activa Maestro card with a personal identification number (PIN), which may be used to conduct, in the Republic of Slovenia or abroad, contactless operations on POS terminals and cash withdrawals at ATMs, subject to the availability of funds in the account.

The Silver Package provides the following services for a flat monthly fee under the Tariff:

- Personal account maintenance fee,
- Issue of an Activa Maestro card with a personal identification number (PIN),
- Use of the SMS Notification service for Activa Maestro,
- Unlimited domestic and cross-border payment orders issued in the name or address of the account holder up to the amount of EUR 500.00 in all LON's branches; if the amount of the payment order exceeds EUR 500.00, a fee is calculated on the basis of the valid Tariff,
- Standard overdraft of up to EUR 600.00 (subject to compliance with LON's conditions), unless the account holder has applied for an authorised overdraft,
- Unlimited cash withdrawals using the Activa Maestro card at all ATMs in Slovenia and the EU,
- Free-of-charge monthly statement of account activity.

Services not specified or included in the Silver Package are subject to fees specified in the Tariff.

#### 5.4 Friendly Package (Prijazni paket)

The account is intended for all citizens of the Republic of Slovenia and aliens. The account holder shall be of full age and full legal capacity.

After the opening of a personal bank account, LON shall issue for the account holder an Activa Maestro card with a personal identification number (PIN), which may be used to conduct, in the Republic of Slovenia or abroad, contactless operations on POS terminals and cash withdrawals at ATMs, subject to the availability of funds in the account.

The Friendly Package provides the following services for a flat monthly fee under the Tariff:

- Personal account maintenance fee,
- Issue of an Activa Maestro card with a personal identification number (PIN),
- Provision of the eLON electronic bank,
- Provision of mLON mobile bank,
- Use of Security SMS notifications for Activa Maestro,
- Standard overdraft of up to EUR 600.00 (subject to compliance with LON's conditions), unless the account holder has applied for an authorised overdraft,
- Unlimited cash withdrawals using the Activa Maestro card at all ATMs in Slovenia and the EU.

Services not specified or included in the Friendly Package are subject to fees specified in the Tariff.

#### 5.5 Family Package (Družinski paket)

The account is intended for all citizens of the Republic of Slovenia and aliens. The account holder must of full age and full legal capacity. The account holder signs a statement that the members of the packaged account are his family members whom he wishes to add to the family bank account. Family members are required to give special authorisation to the account holder and agree to be added to the family account. Family members shall mean all members who are in a partnership, marriage or relation with the holder of the packaged account.

Family members may exit the family account at any time by completing a unilateral Statement on Terminating Membership in the Family Package Account, which a family member may file directly at the bank, in writing by regular mail, or by electronic mail sent to [info@lon.si](mailto:info@lon.si). If all members except for the holder of the family packaged account decide to terminate their membership, the holder may apply to have the personal bank account or packaged account modified.

The holder of the family packaged account may at any time terminate the membership of any other member account or terminate the family packaged account by completing the Statement on Terminating Membership in the Family Package Account, and notify the member concerned. It is not possible to change the holder of the family packaged account. The termination of a member shall become effective on the first day of the following month.

All services of LON which are used by the members of a family account and are not contained in the packaged account shall be charged separately to each of the members, in accordance with the Tariff.

After the opening of a personal bank account, LON shall issue for the account holder an Activa Maestro card with a personal identification number (PIN), which may be used to conduct, in the Republic of Slovenia or abroad, contactless operations on POS terminals and cash withdrawals at ATMs, subject to the availability of funds in the account.

### 5.5.1 MINI Family Package

The MINI Family Package provides the following services for a flat monthly fee under the Tariff, which is payable by the account holder.

- The family member (account holder) and the 2<sup>nd</sup> family member:
  - Personal account maintenance fee,
  - Issue of an Activa Maestro card with a personal identification number (PIN),
  - Issue of an Activa Prepaid Mastercard with a personal identification number (PIN),
  - Use of Security SMS notifications for Activa Maestro,
  - Standard overdraft of up to EUR 600.00 (subject to compliance with LON's conditions), unless the account holder has applied for an authorised overdraft,
  - Provision of the eLON electronic bank (only for the holder),
  - Provision of mLON mobile bank,
  - Unlimited SEPA direct debits and standing orders,
  - Unlimited cash withdrawals using the Activa Maestro card at all ATMs in Slovenia and the EU,
  
- The 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> family members:
  - Personal account maintenance fee,
  - Issue of an Activa Maestro card with a personal identification number (PIN),
  - Issue of an Activa Prepaid Mastercard with a personal identification number (PIN),
  - Use of Security SMS notifications for Activa Maestro,
  - Standard overdraft of up to EUR 100.00 (subject to compliance with LON's conditions), unless the account holder has applied for an authorised overdraft,
  - Provision of the eLON mobile bank,
  - Unlimited cash withdrawals using the Activa Maestro card at all ATMs in Slovenia and the EU,

### 5.5.2 MAKSI Family Package

The MAKSI Family Package provides the following services for a flat monthly fee under the Tariff:

- The family member (account holder) and the 2<sup>nd</sup> family member:
  - Personal account maintenance fee,
  - Issue of an Activa Maestro card with a personal identification number (PIN),
  - Issue of an Activa Mastercard with a personal identification number (PIN),
  - Issue of an Activa Prepaid Mastercard with a personal identification number (PIN),
  - Use of Security SMS notifications for Activa Maestro and Activa Mastercard,
  - Standard overdraft of up to EUR 600.00 (subject to compliance with LON's conditions), unless the account holder has applied for an authorised overdraft,
  - Authorised overdraft with own insurance and 50% lower approval costs,
  - Provision of the eLON bank (only for the holder),
  - Provision of the mLON mobile bank,
  - E-payment orders of up to and including EUR 50,000.00 for domestic and SEPA payments in EUR
  - Unlimited SEPA direct debits and standing orders,
  - Unlimited cash withdrawals using the Activa Maestro card at all ATMs in Slovenia and the EU.
  
- The 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> family members:
  - Personal account maintenance fee,
  - Issue of an Activa Maestro card with a personal identification number (PIN),
  - Issue of an Activa Prepaid Mastercard with a personal identification number (PIN),
  - Use of Security SMS notifications for Activa Maestro,
  - Standard overdraft of up to EUR 100.00 (subject to compliance with LON's conditions), unless the account holder has applied for an authorised overdraft,
  - Provision of the eLON mobile bank,
  - E-payment orders of up to and including EUR 50,000.00 for domestic and SEPA payments in EUR
  - Unlimited cash withdrawals using the Activa Maestro card at all ATMs in Slovenia and the EU,

## 5.6 Personal accounts for non-residents

Non-resident accounts are intended for consumers whose principal place of residence is abroad, regardless of their citizenship, and who do not hold a permit for residence in the Republic of Slovenia with a validity of more than 6 months.

After the opening of a personal bank account, LON shall issue for the account holder an Activa Maestro card with a personal identification number (PIN), which may be used to conduct, in the Republic of Slovenia or abroad, contactless operations on POS terminals and cash withdrawals at ATMs, subject to the availability of funds in the account.

In disposing of available funds in the personal account, the account holder may also use all other services as specified in Section 8 of these General Terms and Conditions.

## 5.7 LONI account

The LONI Account can be opened for minors under 15 years of age by their legal representative or custodian. The account is intended for receiving pocket money and conducting cash and non-cash transactions for the purpose of time deposits. The account representative may not use the account for own transactions nor for receiving own remittances and inflows. No third party may be authorised to use the account.

After the opening of a personal bank account, LON shall issue for the account holder and their legal representative a record sheet bearing the number of the LONI transaction account, which may be used exclusively at LON's bank branches to conduct transactions subject to the availability of funds in the account.

Up to the age of 15 years, the closing of the LONI account may only be requested by the legal representative who opened the account.

## 5.8 pLONk account

The pLONk account may be opened by a person who is at least 15 and not more than 26 years of age, holds the status of a student and is not in an employment relationship.

The account is opened to receive scholarships, pocket money, pensions, proceeds from student work, and any other remittance not arising from an employment relationship.

After the opening of a personal bank account, LON shall issue for the account holder an Activa Maestro card with a personal identification number (PIN), which may be used to conduct, in the Republic of Slovenia or abroad, contactless operations on POS terminals and cash withdrawals at ATMs subject to the availability of funds in the account.

The pLONk account provides the following services for a flat monthly fee under the Tariff:

- Personal account maintenance fee,
- Issue of an Activa Maestro card with a personal identification number (PIN),
- Standard overdraft of up to EUR 100.00 (subject to compliance with LON's conditions),
- The eLON electronic bank membership fee,
- The mLON mobile bank membership and maintenance fee,
- Unlimited cash withdrawals using the Activa Maestro card at all ATMs in Slovenia and the EU.

Services not specified or included in the Silver Package are subject to fees specified in the Tariff.

Should the account holder fail to submit proof of student status or receive in the account any remittance arising from an employment relationship, LON shall have the right to convert the account into a regular personal account.

## 5.9 Basic payment account

The basic payment account may be opened by a person of full age who does not have an account in the Republic of Slovenia and who signs a statement that their existing account is being closed. The account is intended exclusively for consumers who are legal residents of the EU, which also applies to persons without a permanent address within the EU, asylum seekers, and persons who have not been granted a residence permit but whose exile from Slovenia is not possible for legal or substantive reasons.

In a basic payment account, LON does not allow authorisations or authorised users who would dispose of the available funds in the account.

LON undertakes to accept in the basic payment account any inflows in EUR and conduct payments subject to the availability of funds in the account. LON does not provide standard overdraft or authorised overdraft facilities for basic payment accounts.

LON undertakes to conduct for the account holder exclusively the following payment services for a flat monthly fee, as laid down in the regulation:

1. To an unlimited extent
  - Cash deposits and cash withdrawals in to/from the account,
  - Execution of payment transactions credited and debited to/from the account,
  - Execution of payment transactions through direct debits or credit transfers.
2. To a limited number of 8 transactions per month:
  - Execution of domestic and cross-border payment transactions by payment cards, including online purchases;
  - Execution of domestic and cross-border direct debits;
  - Execution of domestic and cross-border credit transfers, including standing orders, at POS terminals, bank counters and through the bank's online services, provided these are offered by the bank as part of its regular operations.

For a ninth transaction, or any subsequent transactions, LON shall charge an additional fee, which may not exceed the fee specified for such service under the Tariff.

The flat monthly fee does not include payment transactions exceeding EUR 50,000.00, urgent payment orders, or other services which are not listed in the first paragraph hereof. For these services LON shall charge a standard fee as laid down in the Tariff.

After the opening of a personal bank account, LON shall issue for the account holder an Activa Maestro card with a personal identification number (PIN), which may be used to conduct, in the Republic of Slovenia or abroad, contactless operations on POS terminals and cash withdrawals at ATMs, subject to the availability of funds in the account.

LON may **reject** the application for the opening of a payment account in the following cases, as specified in the ZPlaSSIED:

- If the account holder already has an open payment account with a bank in the Republic of Slovenia unless the account holder states that he had been notified of the closure of such account;
- If the account holder violates, or has in the last 3 years violated, the contractual obligations to LON;
- If LON has acquired information that records of unenforced orders have been established on the account holder's payment account, or enforced execution;
- Opening of such an account would mean a violation of the provisions governing the prevention of money laundering and financing of terrorism.

## 6 CONVERSION AND TERMINATION OF PERSONAL ACCOUNTS AND PACKAGED ACCOUNTS

LON may at any time convert the following:

LONI account	When the account holder has turned 15, the LONI account will be converted into a pLONk account.
pLONk account	When the account holder has turned 26 or enters an employment relationship, the pLONk account will be converted into a standard personal account.
Basic payment account	Due to non-fulfilment of conditions.
Transaction account	In case of termination of a type of transaction account or packaged account.

LON may convert a transaction account provided the client meets the conditions pertaining to such account or in case of termination of a type of transaction account or package account.

LON shall notify the account holder in advance of any modification of their transaction account or packaged account. If the account holder does not agree to the conversion, they may select an alternative type of personal or packaged

account, or withdraw from the Agreement within 30 days from the date of conversion of which they have been notified by means of an advance notice, without any notice period. If within this period LON does not receive a written cancellation of the Agreement, it shall be deemed that the account holder is in agreement with the conversion.

LON shall notify the account holder of any change in the range of services and products that are included in the packaged account in advance of any such change. When the account holder does not agree to the change, they may select an alternative type of personal or packaged account, or withdraw from the Agreement within 30 days from the date of change of which they have been notified by means of an advance notice, without any notice period. If within this period LON does not receive a written cancellation of the Agreement, it shall be deemed that the account holder is in agreement with the change. Within the scope of a packaged account, LON may change the range of services and products without the consent of the account holder provided the change is beneficial for the account holder.

## 7 TYPES OF PAYMENT SERVICES

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For the account holder, LON shall conduct services in accordance with the ZPISSIED and as specified in writing in the Agreement.

For the account holder, LON conducts, inter alia, the following payment services:

- Services enabling cash deposits (cash withdrawals) to a payment account (from a payment account) and all the operations required for operating this account;
- Services enabling the execution of payment transactions credited and debited to a transaction account, which are executed by way of a payment order, UPO, direct debit or payment card;
- Issuing of payment instruments and/or acquiring of payment transactions;
- Execution of money remittance;
- Services of initiating payments;
- Services enabling provision of account information.

## 8 EXECUTION OF PAYMENT ORDERS AND USER NOTIFICATIONS

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### 8.1 Receipt of a payment order

The account holder may send the payment order to the bank by himself, or through a payment initiation service. The payment order shall be completed in accordance with the regulations, standards applicable to specific payment services, and these General Terms and Conditions.

The payment order shall contain the following information: information about the payer and payee (IBAN and/or name or title and address), amount and value date, date of payment, purpose of payment, and, optionally, BIC of the payee's bank.

The payment order may be personally submitted in paper form at any LON branch office or electronically through electronic or mobile banking systems. The payment order may only be denominated in EUR.

The payment order shall be made for execution on the same day; exceptionally, a payment order in electronic form may be initiated for a specified business day of LON, but not more than 180 days from the date of submission, provided the payment order is submitted electronically. If a future date of execution is specified, LON will check the conditions for the execution of the payment order on the date of execution stated on the payment order.

It shall be deemed that the payment order is accepted if LON has received it within the Cut-off Times; otherwise, it will be received on the next business day.

LON may, at the request of the account holder, confirm the receipt of the payment order. The receipt shall be confirmed by means of a signature of a bank clerk who has received the order, and a record will be made of the date and time of the receipt. The confirmation of the receipt of the electronic order shall be carried out electronically.

## 8.2 Execution of a payment order

LON will execute the payment order provided the following conditions are met:

- LON has received the payment order in accordance with LON's Cut-off Times and sufficient funds in the account are secured for its execution;
- The payment order is completed in a clear and legible manner, without corrections, and includes all the required payment order information;
- In case of payments towards public revenue, the payment order contains the correct information in accordance with the regulations governing the payment of compulsory fees and other general government revenue;
- There are no legal obstacles for the execution of the payment order, and the order is not subject to any limitation measures. Alternatively, LON receives a decision of an authority which precludes the execution of payment orders (e.g. writ of execution, decision on insurance).

The payment order shall not be associated with any suspensive condition or cancellation condition. In the presence of any suspensive or cancellation conditions, the payment order has no legal effect.

With regard to a payment order for which the account holder has given no specific instructions, LON shall define the date of execution to its best knowledge for the benefit of the account holder. Through the mere receipt of the payment order, third persons shall receive no rights against LON.

The account holder shall immediately and without delay notify LON of an unauthorised and/or non-executed payment transaction, upon finding that such payment transaction took place, but no later than within 13 months from the date of debiting or credit to the account.

LON is under no obligation to establish the conflict between the payment order and any restrictive measures that are not part of the legal system of the Republic of Slovenia or the European Union, which is directly binding upon LON.

When a payment initiation service provider or user submits to LON other data in addition to IBAN and other data which LON requests for the execution of the payment transaction, LON shall only be responsible for the execution of the payment transaction in accordance with the IBAN submitted by the account holder. The account holder shall be responsible for the accuracy and completion of all information on the payment order. If the account holder or the payment initiation service provider submits to LON a payment order with an incorrect IBAN, LON is not accountable to the account holder or payment initiation service provider for the incorrect execution of the payment transaction.

LON shall execute its payment orders with respect to the time of receipt of the payment order. In so doing, LON shall observe the priorities defined by law. Without the account holder's consent, LON may only execute payment on the basis of an enforceable court decision Enforceable decision of a Tax Administration or about a decision of the tax administration about the enforcement or another enforceable decision by a state body. Proclaiming seizure of funds in this account, but limited to the available credit balance.

LON shall only execute the order in part when this is required by mandatory provisions, and there are insufficient

LON will execute the payment on the basis of a Universal Payment Order (UPO) with a QR code provided the issuer of the UPO signs a Statement on issuing paper payment orders with a QR code and will be included in the register of issuers, which enables LON to automatically process the payment; otherwise, LON will treat the payment as a UPO without a QR code.

LON may block a certain transaction or payment instrument for security constraints and notify the account holder of the blocking in the manner specified in the Agreement, in writing or electronically, after it has notified the user by phone, if possible. The same manner of communication shall be used by the user who wishes to contact LON in order to resolve the blocking of a payment transaction or service in accordance with the ZPLASSIED.

## 8.3 Rejection of a payment order

If the conditions for the execution of a payment order from Section 7.2. are not met, LON shall reject the payment order (even if the payment order is initiated by a payment service initiation provider). LON may also reject the execution of a payment order if it has received a warning of a justified suspicion of online or other fraud and possible proceeds from such fraud might be held in the account.

LON shall notify the account holder or the payment initiation service provider about the rejection and, if possible, about the reasons for rejection and the procedure taken to correct the errors that were the reason for the rejection, unless such notification is not allowed due to other regulations, no later than the next business day after the day that the payer set for the execution date. LON shall charge the statement of non-executed payments in accordance with the applicable Tariff.

LON is not liable for any damage to the account holder which might arise from non-execution of payment orders resulting from incorrect or incomplete payment order or insufficient funds in the holder's account.

## 8.4 Cancellation of a payment order

The payer may revoke a payment order by withdrawing his mandate for the execution of a payment transaction, requests the return of the payment order or cancels the sent electronic payment order or authorisation for a standing order or direct debit. The revocation must be communicated in the manner as specified for the submission of the payment order. Every payment transaction executed following the cancellation shall be deemed unauthorised payment transaction.

The payer may not cancel a payment order after the payment order for execution of a payment transaction has become irrevocable, which means that it has been received by the payee's bank, unless otherwise agreed in these General Terms and Conditions.

If a payment transaction is initiated by a payment initiation service provider, the payee, or the payer through the payee, the payer may not revoke the payment order after he has given his mandate to the payment initiation service provider to initiate the payment transaction or after he has given the mandate for the execution of the payment transaction to the credit of the payee. Nevertheless, if a payment transaction is initiated by a direct debit payee, the payer may revoke the payment order initiated by the payee until the end of the business day that directly precedes the agreed date of debiting to the payer's account in accordance with LON's Cut-off Times.

If the date of execution is set in advance, the payer may revoke the payment order no later than by the end of the business day that immediately precedes the day asset for the value date, in accordance with LON's Cut-off Times.

After the expiry of the deadlines from the third and fourth paragraphs of this Section, the account holder may only revoke a payment order if so agreed with LON. If the payment transaction is initiated by a payment initiation service provider or the payer through the payee, the payee shall also agree to the cancellation of the payment order after the expiry of the deadlines from the third paragraph hereof.

### 8.4.1 Receipt of a request for cancellation sent by the payer/user or payment initiation service provider

The cancellation of a payment order may only be requested in the event of unauthorised or incorrectly executed payment orders. The payer shall send to LON a written request for cancellation of an executed payment order no later than within 13 months from the date of execution. The amount will only be returned to the payer if the payee agrees to the return. The returned amount may be reduced by the banking costs of the payee and any other costs incurred by intermediary banks.

### 8.4.2 Receipt of a request for cancellation sent by another bank

When LON receives a request for cancellation sent by another bank, LON will notify the payee about the received request for the cancellation of payment. The payee shall, in a period of eight (8) days, approve or reject the request to return the funds and send it to the bank in writing. If the payee approves the return, LON shall return the payment amount to the payer; if the payee rejects the return, LON will not return the payment amount to the payer.

## 8.5 Paying a Universal Payment Order (UPO) at an ATM

A user of the Activa Maestro card and personal account can pay Universal Payment Orders which are issued by domestic issuer and hold a QR code (hereinafter: UPOs) at specially designated LON ATMs. Payments of other UPOs cannot be executed at ATMs.

When paying a UPO at an ATM, the credit balance in the holder's account will be checked. After completing the transaction, the ATM will return the UPO and issue a confirmation of payment.

At the designated ATM, the user shall first select the appropriate payment service displayed on the screen. Only one UPO at a time may be inserted in the ATM's slot. The user shall then confirm the amount for payment, when it is displayed on the screen; if the amount is incorrect, the payment may be cancelled.

Payments of UPOs at ATMs are subject to payment of fees under the applicable Tariff.

The amount of the UPO which is posted at the ATM will be debited from the user's account on the date of submission of the UPO. The payment to the payee will be executed in accordance with the applicable Cut-off Times and General Terms and Conditions of LON.

## 8.6 Disposing of the funds in the account

The payee may dispose of the funds in the account when the amount of the payment transaction is credited to his account in accordance with LON's cut-off times for payment transactions and when LON receives all the necessary information to credit the account.

If the day when the funds are credited to LON's account is not LON's business day or if the funds are credited to LON's account after the time set out in LON's cut-off times, it shall be considered for the purpose of the first paragraph hereof that LON has received the funds for the payee on the first next business day.

Incorrectly posted debit or credit to the account without an order by the account holder, which has resulted from a mistake or error on the side of LON or its external contractors will be corrected by LON by way of a counter-entry, to ensure that the balance in the account remains unaltered. LON shall notify the account holder of any such mistake with a statement, sent in the agreed manner.

The account holder shall announce any cash withdrawal exceeding EUR 2,000 (or equivalent amount in foreign currency) by 10:00 on the day before the cash withdrawal.

## 8.7 Providing account information

The account holder may also acquire information about his accounts through an account information service provider. LON shall provide the account information service provider, at his request and subject to prior consent of the account holder, with the information regarding the holder's account with LON.

# 9 ADDITIONAL SERVICES RELATED TO THE TRANSACTION ACCOUNT

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## 9.1 Activa Maestro card

LON issues the Activa Maestro card (hereinafter: the card) to the account holder on the basis of the concluded contract for managing the transaction account and provision of payment services.

Upon the written request of the account holder, the card may also be obtained by his authorised person. The additional card shall be made out in the name of the account holder of the additional card. The general terms and conditions applicable to the card shall apply mutatis mutandis to the additional card, whereby LON and the card user agree that all obligations arising from the use of the additional card are assumed by the card user.

When transforming a personal account/package in accordance with these General Terms and Conditions, LON does not issue a new card to the account holder; the account holder uses the existing card until its expiry date or its replacement for another reason. Only a card for contactless operations is issued at each replacement or renewal.

The card shall be made out in the name of the account holder of the card and is non-transferable.

The card shall be sent by LON to the card user by mail, not later than five days after the date of the application approval. The card is sent by registered mail. The card user is considered to have received the said mail if it was sent to his/her address indicated in the application. The account holder collects his PIN from his base branch. If a non-accepted mail that contains the card is returned to LON by mail, LON shall invite the card user in writing to personally collect the card from the LON branch. The deadline for collecting the card is 90 days from the date of sending the postal call to the last address of the cardholder, which was reported to LON. After 90 days, LON will destroy the card in accordance with the regulations. In case of re-ordering of the card at the request of the card user, LON shall charge the production of a new card in accordance with the applicable Tariff.

### 9.1.1 Card security

Upon receipt, the cardholder must manually sign the card with a ballpoint pen. An unsigned card is invalid. All costs of abuse due to an unsigned card are borne by the card user.

The cardholder is obliged to treat the card with due care and responsibility so as to ensure that he:

- complies with all the provisions of these General Terms and Conditions relating to the use of the card;
- strives to prevent its loss, theft or misuse;

- does not lend the card or entrusts it for safekeeping to third parties;
- keeps the card with him or under his control (e.g. in public places, in a hotel room);
- does not leave the card with other valuables stored in a wallet or purse in a conspicuous place (e.g. in a car) or unattended (e.g. on a hanger in public areas);
- after receiving the PIN, the account holder remembers the number and destroys the PIN notification immediately upon receipt;
- protects the PIN as confidential and does not disclose it to anyone, does not store it or carry it on a slip or otherwise along with the card, and does not record it on the card or store in the same place where the card is stored, etc.;
- immediately notifies LON and changes the PIN if he suspects that an unauthorised person is aware of his/her PIN.

In order to operate the card securely at **the point of sale**, the card user is obliged to do the following:

- make sure that all operations at the point of sale are carried out in his presence, with the card being visible at all times;
- as a general rule, use the card only once at the POS terminal, and otherwise request from the point of sale a transaction failure receipt for each failed transaction;
- when entering a PIN, hide the dial or prevent the surrounding area from becoming aware of the PIN;
- check the amount of the purchase before entering the PIN or before signing the purchase receipt, and keep the receipt for his own records until he receives the bank statement; only then the account holder destroys the receipt to prevent any unauthorised person from accessing important card information that could be seen on the receipt.

In order to operate the card securely at the **ATM**, the card user is obliged to do the following:

- always stand alone in front of the ATM;
- when entering a PIN, hide the dial or prevent the surrounding area from becoming aware of the PIN,
- take into account other security measures.

In order to operate the card securely **on the Internet**, the card user is obliged to do the following:

- make purchases only from online stores bearing the Mastercard Secure Code tag;
- make online purchases only from secure websites and from reliable and trusted providers of goods and services;
- promptly review online fraud notices and provide appropriate protection on payment devices.

Failure to comply with obligations under this point shall be considered as gross negligence of the card user.

If the cardholder loses the card and suspects that it has been stolen or that an unauthorised person has been informed of his/her PIN, he/she must immediately inform LON and the police. LON can be notified by the card user at any time to the telephone number of the ACTIVA call center (+386) (0)5 6661 256, or LON's telephone number (+386) (0)4 2800 704 during working hours from 8:00 to 15:00, or appear in person at one of LON's business units. LON will immediately block card usage at the moment of notification receipt. The card user must confirm the notification made by telephone within eight days by a written report, which he/she sends or personally submits to LON.

The card user is obliged to provide the LON with all necessary information about the circumstances related to the loss, theft or misuse of the card in order to prevent further damage.

If a card user finds a card after reporting a loss or theft, he/she should no longer use the card and is obliged to immediately notify the LON and return later found card, which is cut up.

After blocking the use of the card, LON will issue a new card. A fee is charged for the issue of a new card or the re-assignment of a PIN code in accordance with the applicable Tariff.

LON has the right, but is not obliged, to perform preventive card blocking when performing security measures, for example if there are reasons to suspect misuse of the card or theft of card data, etc.

In such cases LON shall notify the card user in writing of the blocking of the card, if possible before the card is blocked, or immediately after blocking. In these cases, a new card is issued free of charge to the account holder.

In the event of blocking an account due to an enforcement order, security or other forced intervention on the funds in the account issued by a court, the Financial Administration of the Republic of Slovenia (FURS) or any other competent authority, LON limits the possibility of using the card without specifically informing the card user thereof, as it is assumed that the card user has received the relevant order and that the blocking of the account also results in the card being blocked.

### 9.1.2 Terms of use of the card

The card user uses the card with the assigned PIN, which is issued by LON as a personal identification number for ATM

operations and for purchases of goods and/or payments through POS terminals.

With the card, it is possible to make purchases of goods and services at all points of sale in Slovenia and abroad which are labelled with an Activa Maestro or Cirrus label. The cardholder initiates a payment order with the card for the transfer of funds to the payment account of the point of sale user on the basis of:

- Entering the PIN into the POS terminal, or
- Without entering the PIN into the POS terminal, for contactless purchases,
- signature of the receipt with the same signature as on the back of the card or
- Distance purchase.

Thereby the account holder confirms the correctness of the amount, which he will pay in accordance with these General Terms and Conditions. A copy of the receipt from the POS terminal shall be retained by the card user for his own record.

The maximum amount to pay at a point of sale may be up to the amount of the account balance. The maximum daily number of card purchases at points of sale is limited to 10. The card can also be used for distance purchases.

With a card and PIN, the card user can:

- withdraw cash from ATMs marked with an Activa Maestro or Cirrus label;
- check the account balance on the transaction account at ATMs in Slovenia,
- carry out the purchase of GSM cards at ATMs in the RS that enable this service.

Cash withdrawal at ATMs is possible within the allowed amount for daily withdrawal of cash at ATMs and within the coverage on personal account. The maximum amount for daily withdrawal of cash at an ATM is EUR 2,000.00. The maximum daily number of ATM withdrawals is limited to 5.

For each cash withdrawal with the card, the card user pays a fee for the costs in accordance with the applicable LON Tariff. LON shall debit the above charges to the account holder's account. If the ATM retains the card or does not pay the amount, the card user informs the LON branch that is responsible for maintaining his personal account.

The card user can also use the card at LON's ATMs to make credit transfers, change his PIN, and deposit cash at ATMs installed at or in the bank's branches where these services are enabled.

LON executes the payment transactions of the Activa Maestro card user within the extent of cover in the currency of EUR based on the reservation of funds, wherein the card user is deemed to have provided coverage prior to the execution of the payment transaction.

For the obligations arising from the operation of this card, the card user is charged daily or on the day of the purchase or other transaction. In case the online authorisation does not work, the processing centre performs payment authorisation based on the latest account balance information.

LON shall notify the account holder of the executed payment transactions with a monthly statement in accordance with Chapter 11 of these General Terms and Conditions.

### 9.1.3 Liability for damage

In the case of an unauthorised payment transaction that would result from a user's deception, fraud, wilful misconduct, gross negligence or as a result of a breach of these General Terms and Conditions, the account holder and the card user shall bear all damages incurred.

LON shall not be liable for any damages resulting from the use of the card at ATMs and POS terminals where the account holder has not complied with the security measures regarding the security of the card and PIN.

In the case of an unauthorised payment transaction resulting from a stolen, lost or misused card, the account holder shall cover the damage incurred up to the moment when he informed LON and provided all the necessary information for the execution of the blocking, up to a maximum of EUR 50. LON shall cover the damage resulting from the stolen, lost or misused card that would occur to the account holder after the receipt of the notification.

LON cards are placed on the so-called black list, which prevents the use and misuse of the card in countries that do not comply with internationally accepted rules of card operations. If the card user travels outside the EU area, he/she must inform LON to place the card on the so-called white list for the agreed period, thus enabling operating in countries outside the EU area. After this period, the card is blacklisted again.

LON is not responsible for the quality of goods and services paid by the card user with the card. Any potential disputes between the card user and the point of sale shall not affect the account holder's obligation arising from the use of the card.

## 9.2 Overdraft facility

LON may grant the account holder an overdraft (standard overdraft, authorised overdraft, overdraft by instalments) in the amount determined by LON's business policy and depending on the type of transaction account as agreed by the agreement between the LON and the account holder. LON grants the overdraft exclusively to adult users with regular monthly inflows in the transaction account.

Prior to granting the overdraft, LON determines the credit rating of the account holder on the basis of information on remuneration obtained from the account holder and other information that can be obtained for this purpose in accordance with the applicable regulations. In case of rejection of the application for approval of the overdraft, LON shall inform the account holder in writing within 8 days of receiving the complete application for approval of the overdraft.

LON charges interest for the approved overdraft on the account at a nominal interest rate. The applicable interest rates are published in the extract of the Decision on Interest rates of LON d. d., Kranj, which is accessible in all business units of the bank and on LON's website [www.lon.si](http://www.lon.si). The applicable interest and the effective interest rate for standard overdraft facility are published on LON's website.

LON charges the interest on overdraft drawn to the account holder on a monthly basis. The accrued interest is charged directly to the account holder's transaction account on the day of calculation, regardless of the amount of coverage in the account holder's account. The account holder is obliged to provide funds in the amount of accrued interest before their maturity, in order to avoid the unauthorised negative balance due to interest settlement. LON accrues interest at the end of the month and when the personal account is closed.

LON calculates the effective interest rate assuming that the total amount of the overdraft is drawn over a three-month period. The effective interest rate changes if the reference rate or monthly costs of transaction account management change.

For an unauthorised negative balance on a transaction account, LON charges the account holder interest at the statutory default interest rate in force at the relevant times applicable from the date on which the unauthorised negative balance on the account occurs until the date of payment.

LON has the right to cancel the overdraft facility:

- if the account holder acts contrary to these General Terms and Conditions and the Agreement, and enters into unauthorised negative balance;
- if the account is blocked;
- if the account holder receives no inflow during two consecutive months;
- in case of death of the account holder;
- if the account holder has outstanding obligations towards LON;
- in case of receipt of enforced recovery decision or decisions for securing the performance of obligations before they are executed provided the positive account balance is not sufficient for their execution.

In this case, the account holder must immediately settle the amount of the overdraft and the unauthorised overdraft, plus all interest and costs.

The account holder is informed of the debt position by a statement. For an unauthorised negative balance on the account, LON sends a reminder stating the payment deadline. The costs of the reminders are shown in the excerpt from the Tariff annexed to the Agreement. LON shall debit the transaction account at the end of the month in which the notice was sent, or at the first subsequent monthly billing costs and interest. The calculation of reminder costs is shown on the monthly statement of the transaction account and is not included in the unauthorised negative balance stated on the reminder. LON accrues interest at the statutory default rate on the unauthorised negative balance.

The account holder may terminate the overdraft agreement at any time in writing free of charge and without notice, provided that he/she simultaneously returns the drawn amount with interest until full payment of the drawn overdraft amount.

### 9.2.1 Standard overdraft

LON grants a standard overdraft to the account holder depending on the type of account defined in point 5 of these General Terms and Conditions, upon receipt of the first regular inflow, which must be at least equal to the amount of the overdraft, and depending on the credit rating of the account holder.

LON does not charge any special fees to the account holder to approve this overdraft. LON calculates interest at the rate specified in the Decision on Interest Rates of LON d. d., Kranj.

If there is significantly increased risk that the account holder will not be able to fulfil his/her payment obligation, LON may disable the use of the standard overdraft facility and notify the account holder accordingly.

A user who has multiple accounts with LON may only have standard overdraft limit on one account. If the account holder requests an authorised overdraft, the standard overdraft limit is cancelled.

TYPE OF ACCOUNT	OVERDRAFT LIMIT	OVERDRAFT CRITERIA
Regular personal bank account	Up to EUR 600,00	The sum of regular monthly inflows (inflows from personal income should be equal to or greater than the amount of the overdraft).
Personal account for non-residents	EUR 0.00	
Golden package	EUR 600,00	The sum of regular monthly inflows (inflows from personal income should be equal to or greater than the amount of the overdraft).
Silver package	EUR 600,00	The sum of regular monthly inflows (inflows from personal income should be equal to or greater than the amount of the overdraft).
Friendly package	EUR 600,00	The sum of regular monthly inflows (inflows from personal income should be equal to or greater than the amount of the overdraft).
MINI family package	EUR 600.00 (1 <sup>st</sup> and 2 <sup>nd</sup> / EUR 100.00 (3 <sup>rd</sup> , 4 <sup>th</sup> and 5 <sup>th</sup> member)	The sum of regular monthly inflows (remuneration, student transfers, scholarships, etc.) should be equal to or greater than the amount of the overdraft.
MAKSI family package	EUR 600.00 (1 <sup>st</sup> and 2 <sup>nd</sup> / EUR 100.00 (3 <sup>rd</sup> , 4 <sup>th</sup> and 5 <sup>th</sup> member)	The sum of regular monthly inflows (remuneration, student transfers, scholarships, etc.) should be equal to or greater than the amount of the overdraft.
LONI account	EUR 0.00	
pLONk account	EUR 100.00 18 years	The sum of regular monthly inflows (scholarship and other transfers) should be equal to or greater than the amount of the overdraft.
Basic payment account	EUR 0.00	

The applicable interest rates and the effective interest rate for the standard overdraft are published in the Decision on Interest Rates and LON tariff, which are accessible in all LON's business units and on LON's website [www.lon.si](http://www.lon.si).

### 9.2.2 Authorised overdraft

Based on the written application for approval of the authorised overdraft, the account holder can apply for an authorised overdraft in his account for a maximum period of 12 months. The account holder may draw an authorised overdraft upon approval of the application and notification by LON of the amount, validity of the approved overdraft and the effective interest rate.

Overdraft approval fees and other costs related to the overdraft are charged to the user's transaction account. The LON may approve a lower overdraft than the amount requested.

LON will directly debit the user's account for the overdraft approval costs in the amount determined in the applicable Tariff, and the insurance costs.

The Tariff is accessible in all LON's business units and on LON's website [www.lon.si](http://www.lon.si). LON shall notify the account holder of the fees and level of interest rates with the statement.

If LON does not extend the overdraft or if the account holder has made a request to cancel the overdraft, the account holder must pay the full amount of the overdraft used. For the amount of the unpaid overdue overdraft, the account holder is obliged to pay to LON interest on late payment in accordance with the law, which stipulates the prescribed interest rate for interest on late payment.

When a user wants to change the amount or maturity, the account holder must submit a new application to approve an authorised overdraft. In the event of a user switching from a personal account to a package personal account, the existing authorised overdraft remains unchanged unless otherwise agreed between the account holder and LON.

### 9.2.3 Overdraft by instalments

On the basis of a written application for approval of overdraft with instalments, the account holder can apply for an overdraft on his account, which reduces by instalments during the term of the overdraft agreement and finally expires on the maturity date. The account holder submits an application for overdraft by instalments at each LON's branch office or through LON's electronic banking system, eLON.

Given the agreed dynamics of paying off overdraft by instalments, LON will lower the balance of the approved limit regardless of the balance of the drawn overdraft or regardless of the credit balance on the account. The account holder is obliged to provide the funds in his account for each reduced approved overdraft. Failure to provide funds will result in an unauthorised overdraft balance.

Overdraft approval fees and other costs related to the overdraft are charged to the user's transaction account on a one-time basis upon the approval of the overdraft by instalments.

### 9.3 Electronic and mobile bank

The account holder can perform payment services through the eLON online bank, for which the account holder fills in a special application or tick the appropriate box on the application to conclude a business relationship. The account holder can also perform payment services through the mLON mobile bank, for which the account holder fills in a special application or ticks the appropriate box on the application to conclude a business relationship.

Online banking and mobile banking are governed by specific General Terms and Conditions - Use of the eLON online bank, mLON mobile bank and e-invoice services.

### 9.4 Activa Mastercard prepaid card

The account holder who is a consumer can apply to LON to issue a prepaid Activa Mastercard card. Prepaid Activa Mastercard card transactions are governed by the General Terms and Conditions for Prepaid Activa Mastercard Cards.

### 9.5 Activa Mastercard payment card

An account holder can apply to LON to issue an Activa Mastercard payment card. The Activa Mastercard payment card transactions are governed by the General Terms and Conditions for Activa Mastercard Payment Cards for Consumers.

### 9.6 SMS notification

The subscriber can be a user of an Activa Maestro payment card, an Activa Mastercard prepaid card or an Activa Mastercard card. The SMS notification service is intended for:

- reviewing completed transactions (debited and credited to a transaction account) and checking the balance on the transaction account;
- enhanced security of payment operations via bank card, as the card user is constantly provided through SMS with key information about transactions conducted using a payment card (ATM withdrawals, POS purchases or online store purchases).

The card user may decide to use the service at the conclusion of the contractual relationship or later, based on the completed written application. In order to approve the service on an additional card, LON must obtain the consent of the account holder and the account holder of the additional card. Consent is given by application.

## 10 OTHER BASES FOR DEBITING THE ACCOUNT

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LON shall make payment without the payment order of the account holder only on the basis of decisions of courts and other authorities competent for enforcement and security, as well as on the basis of bills of exchange and enforcement drafts (if the account holder is also using the personal account with LON for a business purpose) and in other cases stipulated by the regulations governing the performance of enforcement and security, or other mandatory regulations.

### 10.1 Payment of domiciled bills of exchange issued or accepted by the user (consumer)

In accordance with the regulations governing payment services and cashing bills of exchange at banks and savings banks, and in the context of a positive balance on a transaction account, LON will also debit the holder's account on the basis of a presented bill of exchange, if there is a clause in the bill showing that the bill is payable at LON (domiciliary clause), and if LON receives from the holder of the bill of exchange all the information necessary to cash the bill. The bill of exchange is not payable in foreign currencies.

The bill of exchange shall be deemed to include the irrevocable authorisation of the account holder to the bill holder to order the execution of a payment transaction in accordance with the issued bill and the irrevocable consent of the account holder to order the execution of a payment transaction to be debited from his funds.

### 10.2 Payment of enforcement drafts

In accordance with the regulations governing payment services and cashing enforcement drafts at banks and savings banks, and in the context of a positive balance in domestic and foreign currencies and approved overdraft on the holder's account, LON will debit the holder's account on the basis of a presented enforcement draft issued by the account holder as a sole proprietor, provided the enforcement draft contains all the compulsory elements prescribed by law. In accordance with legal regulations, the enforcement draft has a double power of the debtor:

- authorizes the creditor to present the enforcement draft to the debtor's bank and demand payment, and
- authorizes his bank to make payment against his funds.

LON will refuse the received enforcement draft if it is submitted before maturity date.

If there are insufficient funds in the transaction account from which the savings bank would settle the debtor, LON shall transfer to this account an appropriate amount of funds from other debtor's accounts, as well as funds from deposits and savings, if or when the debtor is able to dispose of such funds.

Upon receipt of the enforcement draft for redemption, LON shall notify the debtor at his last known address in writing of the creditor's claim after the enforcement draft.

The irrefutable presumption is that the enforcement draft contains the irrevocable authorisation of the account holder to LON as his payment service provider to carry out the payment transaction against the holder's funds, as requested by the creditor in accordance with the issued enforceable draft.

LON does not check the relationship between the account holder and the person listed as the creditor in the enforcement draft.

The eventual cessation of the activity and the removal of the sole proprietor from the official register shall not affect the execution of the enforcement draft against the funds the account holder holds with LON as a natural person.

### 10.3 Enforcement against cash at bank

In case of receipt of a court-issued writ of execution, security or in other cases of compulsory intervention of state authorities in the user's account balance, the Financial Administration of the Republic of Slovenia or any other competent authority shall prevent the account holder from disposing of the funds in the account in the amount as stated in the order or other official document and proceed in accordance with the contents of the document. In case of enforcement, LON does not check the relationship between the account holder and the person designated as a creditor in the writ of execution or security or in other official documents.

On the basis of a writ of execution, LON freezes all the debtor's assets held with LON, even if the writ explicitly states only one debtor's transaction account or if the account is not listed at all. In the case where the debtor is a sole proprietor or a private person, assets held by the account holder as a natural person (and vice versa) are also seized. It is up to the account holder to alert the persons carrying out remittance that is exempted from the writ of execution to use the correct purpose code. In case of incorrect use of the purpose code, the account holder must prove the purpose of the transfer by himself, whereby LON does not accept responsibility for the incorrectly used purpose code by the transferor who transfers the funds to the transaction account that is subject to enforcement.

LON will directly debit the holder's account for the costs of freezing the account and for blocking-of-funds procedure as well as for the costs of each (partial or full) execution of enforced recovery in the amount as specified in the Tariff.

## 11 LON'S LIABILITY AND REIMBURSEMENT OF PAYMENT TRANSACTIONS

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If the LON is responsible for executing an unauthorised payment transaction or for failure to execute or an incorrect execution of a payment transaction, it must immediately repay the amount of the unauthorised payment transaction and any fees and interest due to the payer.

LON shall be relieved of its liability to recover the amounts of unauthorised payment transactions:

- if the execution of an unauthorised payment transaction is the result of exceptional and unforeseen circumstances which LON cannot influence despite all efforts,
- if the obligation to execute a payment transaction arises from other regulations binding upon LON,
- if the execution of an unauthorised payment transaction is the result of a holder's fraud or if the account holder intentionally or through gross negligence has failed to fulfil his obligations with respect to the payment instrument,
- if the account holder has submitted to LON for execution a forged or modified payment order,
- in the part covered by the card user, if the execution of an unauthorised payment transaction results from the use of a stolen or lost payment instrument or a payment instrument that has been misused (if the user has not secured the personal security elements of the payment instrument),
- if the account user did not immediately and without delay notify LON of an unauthorised and/or non-executed payment transaction, upon finding that such payment transaction took place, but no later than within 13 months from the date of debiting or credit to the account.

In the event that it is determined that LON has not executed or has incorrectly executed the payment transaction, the account holder has the right to submit a request to LON to rectify the irregularity, and the LON shall be obliged to do so if it is found liable for the irregularity.

LON assumes no liability for improper treatment of the payment if the payer does not substantively use the payment purpose code in accordance with its actual purpose.

## 12 NOTIFICATIONS

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LON shall notify users of the completed transaction through the account and of other changes to the account balance with a monthly statement, which shall be sent in writing by mail, unless the account holder, who is also an electronic bank user, expressly declares on the relevant application that he wishes to receive notifications about executed payment transactions and other changes of balance only through electronic bank, or when the user explicitly declares that he does not wish to receive the notices by post or via electronic bank, but will personally pick them up at LON's branch. It is also considered an appropriate application when the holder wishes to receive notifications of executed payment transactions and other changes of balance only through the electronic bank, which the user executes himself in the electronic banking system. The account holder is obliged to keep his own records of payment transactions, as the monthly statement is only the basis for controlling the transactions and making possible complaints.

Unless otherwise specified in these General Terms and Conditions, the user agrees to be informed by the LON via electronic media (an electronic bank or mobile bank or through another electronic medium), the address of which has been communicated by the holder to LON and by written notice to the address indicated on the first page of the Agreement or on the holder's last known address. In the case of electronic media notification, the notification shall be deemed to have been received on the same day when it is transmitted via electronic media. In the case of a written notice, the notice shall be deemed to have been received the next working day after the written notice has been sent by post.

Account holder can also subscribe to the real-time notification of payment card transactions via SMS to his mobile phone. For this purpose, the account holder signs a specific request or ticks the option on the application for opening a transaction account.

The account holder must notify LON no later than 5 days from the date of occurrence of any changes to personal and other information, authorised user data and other information relevant to the LON business. LON shall not be liable for damage resulting from failure to comply with the obligation to communicate changes. All financial and other consequences of the failure to comply with the notifying and the timely communication of the changes are charged to the account holder. The account holder further agrees to notify LON in writing no later than 5 days from the date of the change and provide supporting evidence of any change in the data relating to the determination of tax resident status and US taxpayer status in accordance with the Tax Procedure Act (ZDavP-2).

Any notice or other writing is considered to be properly served if it is sent in writing to the last known address,

LON uses the latest mobile number or email address provided by the account holder, his legal representative or authorised user. LON shall not be liable for any damage that may result from failure to comply with the obligation regarding the communication of a change to a mobile phone number or e-mail address which the account holder, legal representative or authorised user use to conduct operations with the bank.

## 13 INTEREST RATES AND FEES

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### 13.1 Interest rates and accruals

The cash the account holder has in the transaction account consist of sight deposits which are extended at the rate of interest on sight deposits under the applicable Decision on Interest Rates. Accrued interest is credited to the account on the last day of the month and when the transaction account is closed. In determining the beginning and the end of the period for calculation of interest, the first day from the start of the transaction is counted and the last day is not.

LON uses the linear interest calculation method, as follows:

$$GG * pp * dd$$

$$00 = 365(6) * 100$$

where:

o = interest

Go = initial principal

value p = interest rate

d = the number of days for which interest is calculated

In calculating interest, LON takes into account the actual number of calendar days (365/366)

Accrued interest shall be rounded to two decimal places and credited to the account if the amount of interest is at least EUR 0.01.

For an unauthorised negative balance on a transaction account, LON charges the account holder interest at the statutory default interest rate in force at the relevant times applicable from the date on which the unauthorised negative balance on the account occurs until the date of payment.

## 13.2 Calculation of fees

LON shall charge the account holder with the fees specified in the Agreement, the General Terms and Conditions and the Tariff. If the account holder fails to pay the fees and charges related to account maintenance and payment transactions in a timely manner, LON shall have the right to charge the holder with statutory default interest rate and any additional costs incurred by LON (formal notice costs, recovery costs).

Account maintenance fees and costs can be recorded and charged to the holder's account, regardless of the available account balance (available funds).

# 14 TERMINATION OF THE AGREEMENT

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The Agreement expires with the passage of time if it is concluded for a definite period or with an expiry of the notice period if it is concluded for an indefinite period. If the termination was made by the 15th of the month, it shall take effect on the last day of the month, and if the termination is made after the 15th of the month, it shall take effect on the last day of the following month.

## 14.1 Termination by the account holder

The holder may at any time unilaterally terminate the Agreement in writing, with a one-month notice, unless otherwise agreed with LON, and must declare that he assumes all obligations, including those arising from payment by credit or debit cards following the termination of the account.

On the day of receipt of the application for termination of the Agreement, LON will:

- block the BA card and any other payment or credit cards issued to the account holder and authorised users,
- stop executing standing orders and direct debit orders.

LON shall not charge the account holder with any compensation for termination of the Agreement if the Agreement is terminated more than six months from the conclusion of the Agreement.

## 14.2 Termination of the Agreement by LON

The LON may terminate the Agreement concluded for an indefinite period without giving reasons, with a notice period of at least two months.

LON may unilaterally terminate the Agreement with immediate effect if there has been no inflow in the account within the last 56 months.

LON may terminate the contract with a fifteen-day notice period in the following cases:

- if the account holder did not cover within the stated deadline the negative balance stated on the final third reminder,
- if the account holder violates the provisions of these Terms or any agreement entered into with LON,
- if the account holder does not regularly settle the fees and charges pertaining to account maintenance and transactions performed and fails to stop the violation after LON's warning,
- if personal bankruptcy proceedings are opened against the account holder,
- if at the time of the conclusion of the Agreement, the account holder provided false information, or if so required by law or the supervisory authority.

## 14.3 Termination of the Agreement on the basic payment account

The account holder or LON may terminate the Agreement in writing at any time. If the Agreement is terminated by the account holder, the termination shall take effect on the last day of the month in which the termination was given.

LON will unilaterally terminate the Agreement without notice if it determines that the account holder:

- intentionally used the account for illegal purposes,
- provided inaccurate information to obtain the right to open an account,
- breached contractual obligations to LON over the last 3 years.

LON will unilaterally terminate the Agreement in accordance with the notice period:

- if the account holder has not had any transaction on the account for more than 24 consecutive months,

- if the account holder is not legally resident in the European Union,
- if the account holder subsequently opens an account with another bank, or
- when so required by law.

#### 14.4 Notification of termination

LON shall serve the termination on the account holder by registered post. Service is deemed to have been completed on the day the addressee picks up the mail. If the addressee (user) does not collect the mail within 15 days, service shall be deemed to have been effected after the expiry of this period.

Termination of the Agreement is considered to be duly served if it is sent to the last user's address which LON has in its records.

In the event of termination of the Agreement, the account holder is obliged to fully settle all obligations arising from the date of termination of the Agreement.

The termination of the Agreement shall take effect on the last day of the second month following the month in which the termination was given.

After the notice period, the Agreement is terminated and LON closes the account of the account holder. When the account is closed, the holder must return all issued cards, and all standing orders and direct debits are also cancelled.

In the event of termination of the Agreement, the account holder shall pay the fees which LON charges for payment services over a fixed period of time, but in proportion to the period until the termination of the Agreement. If such fees are paid in advance, LON shall reimburse the account holder with a proportionate share of the fees paid.

In case LON violates the provisions of these General Terms and Conditions regarding notifications, the account holder has the right to contest the Agreement under the provisions of the Obligations Code.

## 15 DEPOSIT GUARANTEE

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Deposits held with LON are protected by the deposit guarantee scheme as defined by the applicable law governing the deposit guarantee scheme and as summarized in the document Deposit Guarantee Scheme – Information for Investors, which is annexed to these General Terms and Conditions and published on LON's website [www.lon.si](http://www.lon.si).

The account holder may also obtain more detailed information on the website of the Bank of Slovenia, [www.bsi.si](http://www.bsi.si) – Deposit Guarantees in Banks.

## 16 PEACEFUL SETTLEMENT OF DISPUTES

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### 16.1 Complaints

The account holder may submit a complaint regarding the management of the account and the provision of payment services in writing to LON's address, for incorrectly executed payment transactions, no later than within 13 months after the date of debit or credit.

In the same manner, the account holder may also contact LON to report errors or irregularities that may result from a malfunction or suspected unauthorised entry into a mobile or electronic bank.

LON will handle the complaint as soon as possible and no later than within 8 days of receiving the complaint and notify the user accordingly. If LON requires information from other sources to resolve the complaint, the resolution deadline may be longer and the account holder will be informed.

If LON is responsible for the non-execution or incorrect execution of a payment transaction or the execution of an unauthorised payment transaction, it must immediately refund to the account holder the amount of the unauthorised payment transaction and any fees and interest to which the user is entitled.

LON shall be relieved of its liability to return the amounts of unauthorised payment transactions:

- if the execution of a unauthorised payment transaction is the result of exceptional and unforeseen

- circumstances which are beyond the control of LON and which occurred despite its good faith efforts,
- if the obligation to execute a payment transaction arises from other regulations binding upon LON,
  - if the execution of a unauthorised payment transaction is the result of the account holder's fraud or if the account holder intentionally or through gross negligence has failed to fulfil his obligations with respect to the payment instrument,
  - in the part covered by the account holder, if the execution of a unauthorised payment transaction results from the use of a stolen or lost payment instrument or a payment instrument that has been misused (if the account holder has not secured the personal security elements of the payment instrument).

Any complaints about payment transaction with SEPA direct debit that refer to the relationship between the payer and payee shall be resolved by the account holder directly with the payee.

## 16.2 Dispute settlement

Any disputes or disagreements regarding the provision of services in accordance with these General Terms and Conditions will be resolved by agreement by the account holder and LON according to the Rules on the Complaints Procedure, which are published and accessible to the account holder in all LON's branches and on its website.

Complaints can be submitted by post to Lon d. d., Kranj, Žanova ulica 3, 4000 Kranj, on the form provided in LON's business units, to the email address [pritozbe@lon.si](mailto:pritozbe@lon.si), or via the form published on the website [www.lon.si](http://www.lon.si).

The competent department of LON will decide on the complaint as soon as possible, and no later than 8 days after the complaint together with all necessary documentation was received by LON. If due to the nature of the problem the complaint cannot be resolved within the stated deadline, LON shall inform the account holder in writing of the progress of the complaint procedure and of the expected date of the final resolution. LON will send the account holder its final decision in writing by registered mail.

If the account holder who is a consumer disagrees with the decision made in the course of LON's internal complaints procedure or does not receive a response to his complaint within 30 days of lodging the complaint with LON, the account holder shall have the right to initiate, within a maximum of 13 months of lodging the complaint with the bank, proceedings for out-of-court settlement with bodies responsible for out-of-court settlement of consumer disputes (alternative dispute resolution) (hereinafter: ADR). LON's contractor in the area of ADR is the Bank Association of Slovenia – GIZ, Šubičeva ulica 2, 1000 Ljubljana, e-mail: [izvajalec.irps@zbs-giz.si](mailto:izvajalec.irps@zbs-giz.si), phone number: +386 (0)1 24 29 700. The initiation of ADR proceedings may be filed on the contractor's website, by regular mail (marked "ADR Initiative") or by email at the address above. The initiative must be submitted in Slovene or English. The ADR procedure is implemented as a combined mediation–proposition procedure (mediation), usually conducted at a hearing. The ADR procedure is performed by a competent authority of an ADR contractor in accordance with the applicable Rules of Procedure for Out-of-Court Consumer Disputes Settlement with the Banking Association of Slovenia, which are published on the ADR contractor's website. The decision of the ADR contractor is not binding for LON or for the complainant.

The Bank of Slovenia is responsible for conducting proceedings for misdemeanours committed in connection with the provision of payment services.

The territorial jurisdiction for resolution of any disputes arising out of these General Terms and Conditions which the account holder and LON would not be able to resolve by mutual agreement lies with the competent court of the registered seat of LON.

## 17 SUPERVISION

The Bank of Slovenia, Slovenska 35, 1000 Ljubljana, performs supervision of LON in the field of execution of overdraft facility in transaction accounts.

Supervision of the LON's operations within the scope of its responsibilities is exercised by the Information Commissioner's Office, Vošnjakova 1, 1001 Ljubljana.

## 18 PROTECTION OF PERSONAL DATA AND CONFIDENTIAL INFORMATION

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Information and data relating to the provision of payment services based on these General Terms and Conditions, including personal data, are the business secret of LON. LON uses, processes, stores and transmits all personal and confidential information in accordance with the laws in force.

The account holder, his/her authorised user or legal representative, expressly permit LON and authorize it to transmit all their personal information, including other confidential information to the contract data processors and the processing centre established in the European Union which provide card manufacturing and processing services for LON and have at least the same standard of personal data protection as LON for the purposes of their business, performance and unifying banking operations, supervision, risk management and the execution of mutual contractual relationships. Individuals allow LON to obtain and use their tax ID for accurate and complete identification and to prevent errors and abuses.

More detailed information on how LON treats personal information and how individuals can exercise their rights is set out in the General Terms of Privacy, which are published at LON's business units and on its website [www.lon.si](http://www.lon.si)

## 19 FINAL PROVISIONS

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In the event that LON changes these General Terms and Conditions, it will inform the account holder in writing by mail (on the statement) or by electronic bank or mobile bank two months before the coming into force of the amended General Terms and Conditions. The amendment will also be published on LON's website.

If the account holder does not agree with the changes to the General Terms and Conditions, he may withdraw from the Agreement concluded on the basis of these General Terms and Conditions without notice and without payment of fees. The withdrawal from the Agreement must be made in writing by the account holder no later than a day before the specified date of entry into force of the amendment. If the account holder fails to voice his disagreement with the amendments within the given time limit, it shall be deemed that he is in agreement with the changes. In the event that the account holder rejects the proposed changes and does not terminate the Agreement, it shall be deemed that LON has terminated the Agreement with a two-month notice period, which shall run from the date of the notification of the change.

The applicable General Terms and Conditions are also published on LON's website and are available at all LON's branches.

These General Terms and Conditions are an integral part of the Agreement. By signing the Agreement, the account holder confirms that he was aware of them prior to the conclusion of the Agreement and that he fully agrees with them.

The provisions of the Agreement which LON and the account holder used to regulate their contractual relations in connection with the opening of an account and the provision of payment services but which are contrary to the provisions of the Payment Services, Services for Issuing Electronic Money and Payment Systems Act (ZPlaSSIED), are deemed to be superseded by the provisions of ZPlaSSIED.

Unless LON and the account holder agree otherwise, contractual relations and communication between the LON and the account holder shall be in the Slovene language.

The law of the Republic of Slovenia shall apply to the provision of services in accordance with these General Terms and Conditions and to their interpretation.

If the account holder detects that the provision of services based on these General Terms and Conditions has resulted in an infringement constituting an offence under ZPlaSSIED, he shall have the right to file a written request for initiating infringement procedure. The request is filed with the Bank of Slovenia, which is competent to decide on such offences and supervise the operation of LON.

These General Terms and Conditions are effective from 5 November 2019. With the entry into force of these General Terms and Conditions, the General Terms and Conditions for Transaction Accounts and Payment Services for Natural Persons of 17 April 2017, the General Terms and Conditions for Basic Payment Accounts of 18 October 2016, and the General Terms and Conditions for Packaged Bank Accounts of 18 February 2019 shall cease to apply.

For the Agreements on the Opening and Managing Accounts and Provision of Payment Services concluded on the basis of the existing General Terms and Conditions for Transaction Accounts, regardless of their name, these General Terms and Conditions shall apply as of 5 November 2019.