

SANTANDER BANK POLSKA S.A. TERMS AND CONDITIONS FOR THE EXECUTION OF LETTERS OF CREDIT

1. These Terms and Conditions lay down the rules of executing the following letters of credit (LCs) by Santander Bank Polska S.A. (the "Bank"):
 - a) LCs issued by the Bank – at its customer's (the Customer) request for a counterparty indicated by the Customer. Orders/ other instructions can be submitted in paper form at the Bank's Branch or electronically using iBiznes24 electronic banking services (the "iBiznes24 Service").
 - b) LCs received by the Bank – issued by another bank for the Customer. Orders/ other instructions can be submitted in paper form at the Bank's Branch or electronically using iBiznes24 Services.
 - c) LCs received by the Bank – transferred by the Bank at the Customer's request. Orders/ other instructions can be submitted in paper form at the Bank's Branch or electronically using iBiznes24 Services.
2. The Customer must fill out the Order correctly, precisely and legibly and provide data required for proper execution of Order or instruction. When submitting the Order electronically, the Customer must comply with the rules set out in the "Rules for using the iBiznes24 electronic banking service".
3. By submitting the Order to the Bank, the Customer confirms their liability towards the counterparty and undertakes to promptly present the relevant document (a contract, an invoice, an order confirmation, etc.) to the Bank at the Bank's first demand.
4. The Order must be signed or in the case of the iBiznes24 Service, it must be approved by persons who are authorised to make statements of will on the Customer's behalf.
5. The Bank processes the Order to issue/ transfer a LC and, in the case of refusal to execute it, notifies the Customer accordingly. The Bank is neither required to accept the Order nor – by the time the Bank confirms the Order processing in the way outlined in Section 9 – to execute it, and in particular the Bank can refuse to process the Order if the processing would be against the law. The Bank's refusal to process the Order does not need to be explained or justified.
6. The Bank takes a decision on issuing/ transferring the LC, and issues/ transfers the LC based on the Order to issue/ transfer the LC. In doing so, the Bank will not be bound by any contract or the Customer's other arrangements with the counterparty.
7. The Bank will issue the LC within two Bank business days of establishing security provided that the Order has been verified as complete and correct.
8. The Bank executes the LC on the terms set out in a paper or electronic Order, a L/C, these Terms and Conditions, in line with applicable law, and taking into account current regulations of the International Chamber of Commerce in Paris, in particular:
 - a) the nominated bank acting within its designation, the confirming bank (if any) and the issuing bank must check the presentation to establish, based on documents only, whether the documents seem to form a compliant presentation.
 - b) the Bank will not be responsible or liable for the form, sufficiency, exactness, authenticity, forgery, or legal implications of any document, or for general or detailed conditions set out in or imposed on the Bank in any document; the Bank will not be responsible or liable for the description, amount, weight, quality, condition, packaging, delivery, value or existence of goods, services and any other benefits represented by any document, or for good faith, actions, omissions, solvency, activity or standing of a supplier, carrier, freight forwarder, recipient or insurer of goods or any other person.
 - c) The Bank will not be responsible or liable for implications of any delay, loss in the course of forwarding, deformation or any errors occurred when forwarding any message or sending letters or documents when such messages, letters or documents are forwarded or sent in line with the terms and conditions set out in the LC, or when the Bank, on its own initiative, selects a forwarder, if the LC does not contain any specific instruction in this regard. The Bank will not be responsible or liable for any errors in translation or interpretation of technical terms, and can leave the terms untranslated in the LC.
 - d) When the Bank uses another bank's services in order to process the Customer's Order/ instruction, the Bank does so on the Customer's account and risk. The issuing bank or advising bank will not be responsible or liable for any cases where the instructions transferred by the bank to another bank are not executed, even when the other bank has been selected at the initiative of the issuing or advising bank. The Customer is required to cover any claims and obligations arising from international legislation and customs.
9. The issuing/ transferring of the LC by the Bank is confirmed to the Customer by sending a copy of the issued/ transferred LC as specified in the Customer's order.
10. The Bank will not be liable for non-processing or improper processing of the Order or the LC if this has resulted from incorrect, imprecise or illegible completion of the Order, or for other reasons beyond the Bank's control.
11. The Customer must inform the Bank about any circumstances affecting the LC execution within 7 days after occurrence of those circumstances.
12. The Bank will promptly notify the Customer of issuing the LC, collecting documents for the LC, receiving the payment under the LC, and the payment date. The notification will be made as specified in the Order (via email or the iBiznes24 Service).
- 13.1. In the Order, the Customer specifies their settlement accounts which the Bank should debit or credit, and authorises the Bank to do so. The authorisation applies to all of the Bank's and Customer's receivables related to the LC and its terms and conditions. All payments related to the authorisation will be made by the Bank on the day when the receivables arise.
- 13.2. In order to make payments related to the LC, the Bank will debit or credit the settlement accounts referred to in Section 13.1 with amounts paid or received by the Bank or with their equivalent converted: in accordance with the Exchange Rate Table of Santander Bank Polska S.A. (the "Exchange Rate Table") valid on the day when the payment is made under the LC, or at an individual rate agreed with the Customer.
- 13.3. In order to collect fees and charges for LC-related operations, the Bank will debit the settlement accounts referred to in Section 13.1 with the amounts calculated in line with the schedule of fees and charges collected by Santander Bank Polska S.A. for banking services provided to business customers ("Schedule of Fees and Charges") valid on the day when the operation was performed, or with the equivalent of those amounts converted: in accordance with the Bank's Exchange Rate Table valid on the day when the operation is performed or at an individual rate agreed with the Customer.

The Bank may offer the Customer special fee and charge rates that are lower than specified in the Schedule of Fees and Charges valid on the day when the Bank receives the Order. The Bank's offer on special fee and charge rates may apply to either all or only some of the LC-related operations, as specified in the Bank's letter with the offer. If the Customer does not notify the Bank in writing of rejecting the Bank's offer within three business days of its receipt, the fees and charges set out in the Bank's offer will be deemed individually agreed with the Customer.
- 13.4. If the Order specifies that fees and charges due to the Bank for its execution should be paid by the beneficiary of the LC, and the beneficiary refuses to pay, then the Bank will collect the fees and charges from the settlement accounts referred to in Section 13.1, in accordance with Section 13.3.
- 13.5. In order to cover the costs of intermediary banks, the Bank will debit the settlement accounts referred to in Section 13.1 with amounts paid by the Bank or with their equivalent converted in accordance with the Exchange Rate Table valid on the day when the receivables arose.
14. During the period of validity of the Bank's obligation related to the issued LC, in particular when the Bank makes any payment related to the LC execution, until the day the Customer fulfils all their obligations towards the Bank arising from the Order, the Customer must:
 - a) ensure funds necessary to cover amounts arising from the LC execution as well as fees and charges due to the Bank, as specified in Section 13 of these Terms and Conditions;
 - b) at the Bank's request, establish additional security for repayment of the Customer's obligations arising from the Order, if the value of the security established in the form of cash collateral has fallen below the Bank's obligation in respect of the LC issued.
15. The agreement whereby the Bank maintains the Customer's settlement account specified in the Order may be terminated by the Customer no earlier than after expiry of the Bank's and the Customer's obligations specified in the Order.
16. Notices:
 - a) exchanged between the Bank and the Customer in relation to payments under the LC will be made in writing, in the form of a document, electronically or orally, and delivered in person, by courier, by registered post or on electronic data carriers, unless the parties decide otherwise;
 - b) received after the Bank's working hours, will be deemed as served on the next business day.
17. The Customer will bear the risk of:
 - (i) delay in the flow of information (messages, letters or documents) or distortion of information (including due to errors in translation or interpretation of technical terms), or its accidental loss or unauthorised disclosure, unless such delay or distortion is due to fault of the Bank;
 - (ii) failure to contact the Bank, by phone or electronically, resulting in a lack of possibility to place the instruction.
18. Governing law: any disputes between the Bank and the Customer arising from the LC issued by the Bank will be resolved according to the Polish law.
19. Before establishing any contact with a financial institution (bank) or making a cross-border payment, the Bank must verify the transaction to make sure that it does not breach international sanctions, especially those imposed by the United Nations, the European Union and the United States, and that it complies with the Sanctions Policy of Santander Bank Polska S.A. (the "Sanction Policy"). Given the above, the following aspects are verified: country, financial institution (usually a bank), beneficiary (our Customer's counterparty), carrier (ship), goods. The Bank refuses to execute a transaction or to contact an entity included in a sanctions list if any of the above transaction features are subject to restrictions under the Sanctions Policy, and informs the Customer of the refusal. In this case, the Customer should contact the beneficiary (the counterparty) and inform them of the conditions to be met to execute the transaction. The Bank will not be liable for any claims, damages, costs or expenses incurred by any party in connection with the Bank's action or non-action in accordance with the applicable sanctions. The institutions imposing sanctions may require the Bank to disclose information related to a specified transaction. In this case, the disclosure will not breach any of the Bank's obligations of confidentiality towards the parties to the agreement.



