

The Directive on Arrears Management of 2015

The Code of Conduct for the Handling of Borrowers on Financial Difficulties

This document provides a short description of some of the rights and obligations of guarantors and other third party security providers (hereinafter “the Guarantors”) to Eurobank Cyprus Ltd (hereinafter “the Bank”) pursuant to the provisions of the Code of Conduct for the Handling of Borrowers on Financial Difficulties, Appendix 2 of the Directive on Arrears Management of 2015 (hereinafter “the Code”).

The Code applies only to the following persons:

- (a) Natural persons with total balances of credit facilities (including credit facilities of their connected persons) up to one million euro (€1.000.000). The said scope of application includes guarantors of the borrower and third parties (natural persons) who provided securities to the Bank.
- (b) Micro and small enterprises as defined in the European Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (2003/361/EC) with total balances of credit facilities (including credit facilities of their connected persons) up to one million euro (€1.000.000).

The following persons do not fall within the scope of application of the Code:

- (i) persons for which an application for bankruptcy was filed by another creditor;
- (ii) persons for which a receiver or administrator was appointed by another creditor; and
- (iii) persons for which a dissolution order was issued.

According to the Code, the Guarantors shall, inter alia:

1. act in respect of the requirements of the terms of the guarantee agreements,
2. timely provide to the Bank the financial data requested by the Bank from time to time,
3. avoid taking any action that might adversely affect the position of the Bank in relation to the guarantee that they have signed.

In case of application of the Law for the Protection of a Certain Category of Guarantors Law of 2003 as amended (hereinafter “the Law”), Guarantors are entitled, inter alia:

1. To receive, before signing of the guarantee agreement, securing any loan facility exceeding the amount of €8.543, (a) a Bank’s Letter providing information in relation to the loan that will be secured by the guarantee, the installments amounts, the interest rate and the names of the other co-guarantors, (b) Written declaration by the potential borrower listing the borrower’s assets and the relevant charges that will apply with the execution of the loan agreement.
2. To receive a written notification by the Bank for every delay in the settlement of at least three installments or the breach by the borrower of any other obligation pursuant to the loan agreement or the cancellation or amendment of any charge that was registered upon the borrower’s property in favour of the Bank in relation to the loan agreement.

It is clarified that the Law applies to all cases where the guarantor is a natural person, but does not apply to cases where the borrower is a legal person and the guarantor at the time of the execution of the guarantee was acting as a member of the board of directors of the borrower.

The present document is provided for information purposes only and does not provide an exhaustive description of the rights and obligations of the guarantors and the Bank and does not cancel, replace or affect any rights and/or obligations of the parties as those emanate from their contractual relationship or otherwise.

I hereby declare that I received a copy of the present document, and I fully understand its contents and that it was clearly explained to me by the Bank

(Signature)

Name of potential guarantor:

Date: