

## CONTRACT

For banking services for the withdrawal of pension contributions in phases

Connected between:

- I. **Contracting Authority: Kosovo Pension Savings Trust**, with address in Prishtina, Str. "Perandori Justinian", No. 71, hereinafter referred to as the Contracting Authority (abbreviation: CA)
- II. **Service Provider: Name of Bank Sh.A.**, with unique identification number of 123456789 business and with fiscal number 987654321, with address in Prishtina, Str. "XX", No. x, represented by the **Name and Surname of the representative**, hereinafter referred to as "service provider"

Both Contracting Parties hereinafter referred to as the "Parties"

### Article 1 Object of the contract

The object of this contract is to regulate the rights and obligations of the Contracting Authority and the Service Provider, regarding the implementation of banking services for the withdrawal of pension contributions in stages, in accordance with the terms and terms provided in this contract, concluded after Decision 2023-34 dated 01.12.2023 of the KPST Board.

### Article 2 Contract Duration

- 2.1 This contract is concluded without a specific term, and enters into force on dd/mm/yyyyyy.
- 2.2 The terms and conditions of this contract will remain in force for all Principal Accounts with a positive balance, even when this contract expires.
- 2.3 The parties, in case of early termination of the contract, are obliged to notify each other in writing at least 6 months in advance.

### Article 3 Price

- 3.1. The parties have agreed that for the services provided by the Service Provider, the prices set out in this contract will apply.
- 3.2. For as long as this contract is in force, the Service Provider shall not be entitled to make price changes for the services provided, which are the subject of this contract.

### Article 4 Service Provider Obligations

- 4.1. The Service Provider is obliged to open a Principal Account for each retired person, who appears at the offices of the Service Provider, and who meets the conditions provided by the Service Provider for opening accounts, and to credit them with the relevant amounts, on the last working day of each month.
- 4.2. Upon opening the new Principal Account, the Service Provider shall send to the Contracting Authority, the following data: *Personal Number*, *Principal's Account* (Account in which the total amount of funds belonging to the pensioner is held), *Payment Account* (if different from that of the principal), in which the monthly payment is made to the pensioner, in accordance with the instructions of the CA.
- 4.3. The Service Provider shall pay, or make available the amount for payment, to the Payment Account, no later than the second business day of each month, in accordance with the instructions given by the CA, until the Principal Balance reaches zero ( 0 ).
- 4.4. The interest will be calculated on a daily basis and will be paid to the Principal Account on a monthly basis, on the last day of each month, based on the Principal Balance on each day of the month. The interest will be a combination (6-month EURIBOR +0%) or 1.5% per annum, whichever is higher.
- 4.5. If the combination is to be used for the initial calculation, the EURIBOR of the date of the first transfer by the Contracting Authority will be taken as the basis, while for the other periods EURIBOR will change with the dates of January 1 (with the EURIBOR of the previous day) and July 1 (with the EURIBOR of the previous day) of each year until the balance in each account is exhausted. This method of calculation will be applied to all accounts with this contract.

- 4.6. The Service Provider is obliged to provide each pensioner, who opens a payment account, with a debit card (with which he will be able to withdraw funds from the ATM)
- 4.7. The Service Provider is obliged to adapt the IT system within 90 days from the signing of this contract, in order to be ready for the provision of the Phased Withdrawal Service.
- 4.8. The Service Provider is obliged to deduct all applicable taxes on personal income provided for by the applicable laws in the Republic of Kosovo for each monthly payment executed to the payment account.
- 4.9. The service provider is obliged to send to the CA the monthly report on the Balance of Accounts of the Principal, the Debit/Credit and the Applied Interest Rate.
- 4.10. In the event of the death of the Pensioner, before the Balance in the Principal's Account reaches zero (0), the Service Provider is obliged to, in accordance with the regulations and laws applicable in the Republic of Kosovo, transfer the monthly payments to his/her heir/heirs.
- 4.11. The Service Provider will not charge a commission for opening a Principal Account or a Payment Account, nor for maintaining the Accounts, or for crediting the Payment Account with the payment in cases where the Payment Account is opened with the Service Provider.
- 4.12. The Service Provider will not charge any fees for withdrawals from the Payment Account higher than the standard commissions charged by the Service Provider for such withdrawals.
- 4.13. The Service Provider is obliged to provide information on the details of the Payment Account upon request of the CA.
- 4.14. The Service Provider may charge standard fees for transferring the monthly payment to the Payment Account which is not open with the Service Provider, in which case the payment arriving in the Payment Account is reduced.
- 4.15. The pensioner or his/her heirs will not be charged any fee for the initial issuance of the debit card (which can be used to withdraw funds at the ATM), nor for the subsequent issuance of expired cards or for their maintenance.
- 4.16. The Service Provider shall comply with and act in accordance with the Laws and Regulations in force in the Republic of Kosovo, in particular the Law 04/L-101 on Pension Funds as amended and amended, as well as the CBK Regulations on Pensions, as well as take the necessary measures for its personnel to act in accordance with these Laws and Regulations. The Service Provider shall indemnify the CA against all complaints and eventual disputes that may arise as a result of the non-compliance with legal provisions by the Service Provider, its employees and their subordinates.
- 4.17. The Service Provider for all participants in the phased withdrawal program, who have not yet exhausted their Principal Leases, must proceed with the application of all duties, responsibilities and terms of this contract, even after its expiration.
- 4.18. The Service Provider is liable for all losses and claims related to the activities of the services, in the event that it is proven to have acted in violation of the terms and terms of this contract.

## **Article 5      Obligations of the Contracting Authority**

- 5.1. The Contracting Authority is obliged to provide the Service Provider with the information and/or documents at its disposal, which may be relevant for the performance of the contract.
- 5.2. The Contracting Authority is obliged to send to the Service Provider all the information related to the transfers and which must contain, for each pensioner, data such as: *name, surname, personal number, date of birth, address, amount of the Principal, monthly payment, payment account* as well as any other information necessary for the realization of payments.
- 5.3. The Contracting Authority is obliged to provide accurate data for the processing of payments to the Principal Account and the Payment Account. However, the CA reserves the right to refund any amount up to the amount of the balance of the Principal's Account, which is determined by the CA to have been wrongly attributed to the Pensioner, at no cost other than the cost of transferring such funds to the CA's account to the CBK.
- 5.4. The Contracting Authority is obliged to, in cases where it changes the monthly payment of one or more participants/pensioners, notify the Service Provider with notice within at least five (5) days.

## Article 6 Subcontracting

- 6.1. The subcontract is valid only if there is a written agreement, through which the Service Provider entrusts the performance of a part of its contract to a third party. Under contracting, it must not exceed 40% of the contract value.
- 6.2. The Service Provider may not subcontract, without written authorization from the Contracting Authority. The elements of the contract to be subcontracted and the identity of the subcontractors must be disclosed to the Contracting Authority. The CA will notify the Service Provider of its decision within 30 working days from the receipt of the notification, arguing the reasons in case of refusal.
- 6.3. The Service Provider is liable for the acts, mistakes, and negligence of its subcontractors as well as agents or employees, in the same manner as if they were acts, mistakes, or negligence of the Service Provider, its agents, or employees. The approval of the subcontracting of any part of the contract or the approval of the subcontractor by the Contracting Authority, does not release the Service Provider from its obligations under this contract.

## Article 7 Extension of the execution period

- 7.1. The Service Provider may request an extension of the execution period, if the performance of its contract is delayed, or is expected to be delayed, for any of the following reasons:
  - a) The Contracting Authority has failed to fulfil its obligations under the contract;
  - b) Force majeure, as defined in Article 8 of this contract
- 7.2. Within 5 (five) days after realizing that there may be a delay, the Service Provider must notify the Contracting Authority that it intends to make a request for an extension of the implementation period, to which it considers it entitled, and, unless there is any other agreement between the Service Provider and the Contracting Authority, within 30 days provides the Contracting Authority with comprehensive data so that the request can be reviewed.
- 7.3. The Contracting Authority, within 5 (five) days from the receipt of the details according to par. 7.2. of this Article, will allow the extension of the realization period, if this can be justified either prospectively or retrospectively, or will inform the Service Provider that it has not been granted the right to extend the period.

## Article 8 Force majeure

- 8.1. Neither party shall be deemed to have committed a breach of the contract if the performance of the obligations arising from the contract is prevented by any event caused by force *majeure* that occurs after the date of entry into force of this contract.
- 8.2. The term "*force majeure*" means acts of nature, strikes, facility closures or other industrial disorders, action of the public enemy, wars whether declared or not, blockades, rebellions, cases of violence, epidemics, landslides, earthquakes, quakes, lightning, floods, erosion, civil unrest, explosions and any other similar unforeseen event that is beyond the control of the parties and cannot be coped with despite caution properly.
- 8.3. The party affected by a case of force majeure shall take all reasonable measures to avoid all inability of that party to perform its obligations with minimal delay.
- 8.4. The Service Provider shall not be liable for any damages, or for disconnection due to breach of the terms of the contract, if the delay in its performance or any other type of failure in the fulfillment of the obligations arising from this contract, comes as a result of force majeure. Also, the Contracting Authority will not be obliged to pay interest for late payments, non-realization or interruption due to breach of contract by the Contracting Authority, if the delay of the CA or any other type of failure in fulfilling its obligations, comes as a result of force majeure.
- 8.5. If any party considers that any force majeure circumstance has occurred which may affect the fulfillment of its obligations, it will notify the other party without delay, providing detailed data on the nature, possible duration and effect that the presented circumstances may have on the fulfillment of the obligations.

## Article 9 Confidentiality

- 9.1. The parties agree that all information which will be exchanged between them in order to fulfill the obligations arising from this contract, will be considered and treated as confidential and the property of each contracting party. The parties must ensure that confidential and sensitive information is stored as such at all times and is not used for any purpose other than that of fulfilling the contract.
- 9.2. The parties may not use, publish, disclose or in any way make available to third parties the confidential information provided during the execution of this contract, unless they have the prior written authorization of the other party.
- 9.3. The obligation of the parties to retain confidential information shall last for the entire period of validity of this contract, or any other valid agreement between them, as well as after their expiration.
- 9.4. The parties have been informed that the violation of confidentiality constitutes a breach of contract, and the disclosure of confidential information constitutes a criminal offense and is sanctioned by the Criminal Code of the Republic of Kosovo.

## Article 10 Breach of contract

- 10.1. Failure to fulfill the obligations of the contract by either party consists in breach of the contract.
- 10.2. In cases of breach of contract, the injured party will be entitled to the following measures and compensation:
  - a) damages, and/or
  - b) termination of the contract

## Article 11 Termination of the Contract by the Contracting Authority

- 11.1. The contracting authority may, seven (7) days after giving written notice to the Service Provider, terminate the contract in any of the following cases:
  - a) The license of the Service Provider is suspended by the Central Bank of the Republic of Kosovo;
  - b) The Service Providers are placed under emergency measures or under the measures of revocation of the license by the Central Bank of the Republic of Kosovo
  - c) The Service Provider fails to fulfill within a reasonable period of time the warning given by the CA, to avoid any negligence or fails to fulfill its obligations under the contract, affecting the proper and timely performance of the services.
  - d) The Service Provider, without authorization from the CA, transfers the contract or subcontracts the services
  - e) The Service Provider goes bankrupt or is closing; its affairs are being administered by the courts, it has entered into agreements with creditors, it has suspended business activities, it is subject to legal proceedings related to those matters, or it is in any analogous situation caused by any similar procedure provided for in national legislation or regulations;
  - f) The Service Provider has been convicted of a violation related to professional conduct, through a judgment that has the force of *res judicata*;
  - g) The Service Provider has been found guilty of gross misconduct unprofessionally proven by any means that the CA can prove;
  - h) The Service Provider has been subject to a trial having the force of *res judicata* for fraud, corruption, involvement in any criminal organization or any other illegal activity that harms the financial interests of the Communities;
  - i) any other legal incapacity appears that hinders the performance of the contract.
- 11.2. The contracting authority will not be obliged to make any further payments to the Service Provider until the services have been completed.
- 11.3. In case of termination of the contract, or non-fulfillment of the contractual obligations by the Service Provider after the expiration of the contract, the CA may request the return of funds from some or all of the accounts of the participants in the phased withdrawal program, who have not yet exhausted their Principal Accounts.

## Article 12 Termination of the contract by the Service Provider

- 12.1. The Service Provider, seven (7) days after giving the written notice to the Contracting Authority, may terminate the contract if the CA fails to make the payment to the Service Provider.
- 12.2. The termination shall be without prejudice to any other right or authority under the contract of the CA and the Service Provider.
- 12.3. In the event of such termination, the CA will pay the Service Provider any losses or damages that may have been caused to it.

## Article 13 Priority Order of Contract Documents

- 13.1. The referred documents, annexes, or any other document related to the implementation of this contract, have the following priority ranking, starting from:
  - a) **This contract;**
  - b) **KPST Board Decision 2023-34;**
  - c) **Communications between the parties.**
- 13.2. The various documents that make up the contract will be considered to clarify each other. In cases of ambiguity or divergence, they should be considered in order of priority presented above.

## Article 14 Communications

- 14.1. Any communication between the parties, in relation to the Contract, shall be exclusively in written form and shall each time contain: *The title of the contract* and *the reference number*. Communications are sent by mail, fax, e-mail, or delivered directly to the hand.
- 14.2. If the sender of a communication requires confirmation of its acceptance, this must be specified in the communication. If there are timelines for receiving a written communication, the sender must request confirmation of receipt of the same. In any case, the sender must take all necessary measures to ensure that the communication is received.
- 14.3. Notices, requests and communications between the parties, unless any other written address is specified, will be sent to the addresses specified in this contract, which are at the same time the persons responsible for the implementation of this contract.

## Article 15 Dispute Resolution and Applicable Law

- 15.1. The parties shall make every effort to resolve any disputes regarding the implementation of this contract amicably. In the event of a dispute, the parties shall, without delay, notify each other in writing of their positions and the solution they consider to be the most reasonable.
- 15.2. If either party finds it useful, the parties can meet and try to resolve the dispute amicably. The maximum period for reaching a solution in this way will be 30 days from the start of the procedure.
- 15.3. In case the parties fail to resolve the dispute amicably, within the above-mentioned deadline, then either party may request the resolution of the dispute by addressing the competent court in the Republic of Kosovo.
- 15.4. This Contract shall be governed by the Laws and regulations applicable in the Republic of Kosovo.
- 15.5. This contract has been prepared in the Albanian language, in three (3) original copies, two (2) of which are for the Contracting Authority and one (1) for the Service Provider.

<b>Contracting Authority</b>	Kosovo Pension Savings Trust	<b>Service Provider</b>	Bank JSC
<b>Representative</b>	<b>First and Last Name</b>	<b>Representative</b>	<b>First and last name</b>
<b>Country</b>	Prishtina	<b>Country</b>	Prishtina
<b>Date</b>		<b>Date</b>	
<b>Signature</b>		<b>Signature</b>	