

Cardholder Agreement – Consumers

Introduction

These terms and conditions (together with any documents incorporated by reference below, the “Agreement”) set forth the terms and conditions under which Paynetics AD, UIC 131574695 (hereinafter referred to as “the Issuer” or “Paynetics”) issues to individual consumers (the “Customer”, “Cardholder”, “You”, “Your”) for use by the Customer PAYNETICS CONSUMER DEBIT MASTERCARD cards.

This Agreement constitutes a contract between You and Paynetics. It contains important information that may affect your rights, use of the Card and your ability to recover your money. This Agreement applies to your Card(s) issued by Paynetics in addition to our Tariff and Privacy Policy which you can view here <https://paynetics.digital/privacy-and-security-policy/>. Please read carefully all these legally binding documents and keep a copy or download a copy of them for your records and future reference. By submitting your order for Card to Paynetics You indicate that You have accepted this Agreement. Thus, by ordering your Card(s) You shall be deemed to have accepted and fully understood this Agreement, including our Tariff and Privacy Policy and You agree to comply with them in your use of the Card(s). Any appendices or schedule to this Agreement form part of Our agreement with You and will have effect as if set out in the body of this Agreement.

1. DEFINITIONS

Herein:

“**Agreement**” shall mean this document together with:

- Fee Tariff of Paynetics AD (the “Fee Tariff”),
- Privacy Policy, and
- Any other appendix explicitly specified herein, incorporated in the Agreement by reference.

“**Fee Tariff**” shall mean the tariff adopted by Paynetics for the fees collected by Paynetics when issuing and servicing the **PAYNETICS BUSINESS DEBIT MASTERCARD**. The Fee Tariff may define the transaction limits for Card operations.

“**Paynetics**”, “**we**”, “**us**”, “**our**” shall mean Paynetics AD, seat and registered address: Ground Floor, 76A James Bourchier, Lozenets District, Sofia Municipality, Sofia, entered in the Commercial Register kept by the Registry Agency under UIC: 131574695. Paynetics AD is an electronic money company holding a license for operating as an electronic money company issued by the Board of Directors of the Bulgarian National Bank by Decision 44 of 11 April 2016, and is entered in the register kept by the Bulgarian National Bank, which is accessible on <http://www.bnb.bg/RegistersAndServices/RSPIPpublicRegisters/index.htm>. The Bulgarian National Bank supervises the activities of Paynetics AD.

“**Paynetics Account**” shall mean a non-deposit non-interest-bearing account associated with a Card or Cards and maintained for the purpose of enabling Payment transactions. The Paynetics account shall only be used for loading of funds to the Card as provided for in Section 3 of this Agreement.

“**PAYNETICS DEBIT MASTERCARD**” or “**Card**” shall mean a Debit Card for individuals issued by Paynetics AD: a type of payment instrument with electronically recorded balance which is repeatedly used for identification of the Cardholder and for remote access to the Payment account. The card has the MasterCard logo, it is linked to the Paynetics account of the Customer and using it, under this Agreement, a payment order is submitted. The card may be physical or virtual.

“**Privacy Policy**” means Paynetics privacy policy which you can view here <https://paynetics.digital/privacy-and-security-policy/> and which, together with this Agreement, describes the basis upon which any personal data We collect from You, either directly or from our authorised partners or that You provide to Us or them, will be processed, handled and shared by Us, as may be amended from time to time in accordance with its terms and as further explained and defined in this Agreement. If there is any discrepancy between the terms of our privacy policy and the relevant policies and/or terms and conditions of our partners in relation to our services and our treatment of your data then the provisions of our privacy policy shall apply.

“MasterCard” shall mean MasterCard International Incorporated or its successors.

“Card Organisation” shall mean MasterCard International (‘MasterCard’), VISA Europe (‘VISA’) or any other association or organisation maintaining a card payment system applicable under this Agreement, including any affiliate, subsidiary or successor company of any of them, of which Paynetics is a member and is entitled to issue cards and accept payments, including using Cards accepted by such Card Organisation.

“PIN” shall mean a unique personal identification number, representing a combination of numbers and digits, known only to the Cardholder, serving to identify the Cardholder by entering it to the keyboard of the ATM and POS when performing Payment Transaction with the Card. The PIN can be changed via ATM.

“CVC2” shall mean a three-digit code or password for Secure Internet Payments issued for each card. CVC2 is a strictly personalised code for access to funds available on the Card, which is entered using a virtual POS terminal. Each CVC2 entry using a virtual POS terminal serves to prove the identity of the Cardholder.

“Payment Transaction” shall mean a payment made by the Cardholder using the Card including: a transaction at a physical POS terminal; ATM transaction, an Internet transaction using a virtual POS terminal.

“Blocking the Card” shall mean a temporary discontinuation of the Card service by Paynetics resulting in an objective impossibility to use the Card. Paynetics shall keep a record of blocked cards.

“Deactivating the Card” shall mean the final discontinuation of the Card service by Paynetics.

“Automated Teller Machine (ATM)” shall mean a device allowing cash withdrawal, payment of services, transfer of funds between payment accounts, receipt of statements and execution of other payment and non-payment transactions.

“POS (Point of Sale, Point of Service) Terminal” shall mean a device where the Card is used to pay for the purchase of goods or services in commercial premises.

“Virtual POS Terminal” shall mean a logically defined POS terminal device by which payment of goods and services are performed via the Internet.

“Limits” shall mean the Payment Transaction’s limits that apply to your Card and your Paynetics account, which are part of this Agreement and are listed in the “Tariff”.

“Tariff” shall mean the fees and limits applicable to the services appointed in this Agreement. The Tariff, as amended from time to time, shall be available on the Website.

“Identification” or “KYC Procedure” shall mean an identification procedure that requires at least provision of a valid passport / ID card and bank statement or other identification document, as well as a selfie of the person, together with the presented identity document in real time. The identification is done with an automated system and Paynetics and/or the Agent may require additional information.

“Payee” the recipient of a Payment Transaction or other credit resulting from use of the Payment Card.

“Prohibited Transaction” shall mean any of the following types of transactions or activities:

1. Any sales of ‘pyramid’ type, Ponzi schemes or similar marketing or matrix programs or other schemes for ‘quick enrichment’ or high-yield investment programs;
2. Sale, supply or purchase of illegal items or items promoting or facilitating illegal activities;
3. Sale, supply or purchase of counterfeit products or products infringing intellectual property rights;
4. Products or services for the processing or aggregation of payments by third parties;
5. Money laundering;

6. Terrorism financing or propaganda;
7. Pornography, escort services and selling and/ or advertising sexual services;
8. Using the Card in a manner and/or for purposes violating the applicable law and/or regulations of the Card Organisation;

“Technical Provider” means the operator that performs certain technical and operational functions in relation to our services, including the operation of Platform which connects the customers with Paynetics.

“Website” means the following website:

We reserve the right to further add other categories of prohibited transactions by adding such categories either to this Agreement or to a separate document posted on the Website.

2. DESCRIPTION OF THE CARD

1. The Card shall be issued to the Customer by Paynetics and will be linked to the Paynetics account of the Customer opened in any of the currencies maintained by Paynetics. These cards can be used for transactions in the country or abroad. The card includes the following requisite details: validity period, unique card number, name of cardholder, currency and CVV2/**CVC2**.
2. The Card is issued under the MasterCard brand based on the license granted by MasterCard International.
3. Unless otherwise provided herein, the following Payment transactions can be carried out using the Card:
 - 3.1. Cash Withdraw via ATM;
 - 3.2. Payment for goods or services via POS terminal;
 - 3.3. Periodic transactions;
 - 3.4. Payment for goods or services online via VPOS Terminal;
 - 3.5. Obtaining an account statement;
 - 3.6. Change of PIN by the Cardholder on ATM.
4. Transactions under Clause 3 above can be carried out on all terminal devices bearing the MasterCard logo and maintaining the respective functions.
5. Payment transactions with the Card shall be implemented immediately after receiving a due order and the Paynetics account shall be debited within: a) 10 days in case of cash withdrawal via ATMs; b) 15 days for all other transactions other than the ones under item a).
6. The Card Payment transactions will be subject to the limits set by Paynetics under the Tariff.
7. Following Card activation, the Card can be used for transactions with the funds available in the associated Paynetics Account.

Cardholders may use the Card only personally and may not provide it for use to anyone else. If a Cardholder provides access and/or any other means for use of the Card by a third party, the Customer shall be fully liable for all transactions initiated by such third parties.

8. Paynetics may refuse to perform a transaction with a Card if there are not sufficient available funds in the Customer’s Paynetics Account to cover the amount of the Payment transaction and all applicable fees as per the Tariff. If any action results in a negative balance in the Paynetics Account, the Customer shall recover the respective amount ensuring a positive balance in the Account, and Paynetics shall be entitled to take all necessary steps in accordance with the Agreement for the collection of amounts due from the Paynetics Account.

9. By accepting this Agreement, the Customer agrees that:

- Paynetics is not a bank and that the Paynetics Account is not a bank account;
- No interest shall be accrued on your Paynetics Account balance;
- The funds available in the Paynetics Account are not a deposit and the Customer may not claim any interest thereon;
- Paynetics shall deduct the value of all transactions performed with the Card, including all applicable fees, from the Paynetics Account balance.

10. Paynetics has the right to change at any time:

- a) The authentication methods used to verify the identity of Cardholders;
- b) The scope of services provided by Paynetics at any time, and by excluding the possibility for their use in case of newly introduced technical characteristics of the services, regulatory changes or for safety reasons, or for other reasons. Paynetics shall promptly notify the Customer in writing or by email about any such changes.

11. The Customer shall be fully responsible for all goods or services purchased with the Card. Any dispute with a merchant about a product or service purchased with the Card shall be considered a dispute between the Customer and the merchant. Paynetics shall assume no responsibility and shall not provide any warranties regarding such goods or services purchased with the Card and shall not be responsible for their quantity or quality. All such disputes should be addressed directly to the Merchant providing the respective goods or services.

12. Paynetics reserves the right to refuse to authorise a Payment transaction if it does not meet the requirements of the Agreement or violates the provisions of a regulatory act or the regulations of a Card Organisation. In such case, Paynetics shall promptly inform the Customer about the reasons for that refusal, unless this is prohibited by a regulatory act.

13. Paynetics shall not be liable if a merchant refuses to accept a Card or if Paynetics has not authorised a certain payment transaction in compliance with the Agreement.

14. The Card is property of Paynetics as a card issuer and cannot be transferred and/or made available to any person other than the Cardholder.

3. CARD ISSUANCE AND LOADING

1. Paynetics shall enter into agreements with and shall issue Cards individuals.
2. The Agreement shall be considered to be effective as from the moment when the Customer receives a confirmation by Paynetics that the Customer has been approved by Paynetics. Paynetics may refuse to enter into an agreement with a certain individual or to issue a Card without stating any reason.
3. Each Card has a validity period within which the Cardholder may use the Card. The Card shall expire on the last day of the month/year indicated on its front side. All transactions initiated after the expiration or cancellation of the Card shall not be authorised or effected.
4. Paynetics shall issue the Card within ten working days from the date of signing the Agreement and, if the Card is not virtual, shall deliver it to the Cardholder. The Card may be delivered by a courier service or through the Technical Provider.
5. The Card, if not virtual, shall only be personally delivered to the Cardholder by Paynetics or its representative. Upon receipt of the Card, the Cardholder shall be required to produce their identity card for identification purposes. The Cardholder shall be required to put their signature on the signature spot on the reverse side of the Card immediately after receiving it.
6. Along with the Card, Paynetics may provide the Cardholder with a PIN. The Cardholder should memorise their PIN and then destroy the media on which it is recorded. The Cardholder should always keep their PIN, should not record it anywhere or use

it if someone else can see the PIN. If the Cardholder suspects that someone else knows the user identifiers, passwords, or PIN, they should immediately inform Paynetics and change them immediately.

7. The Card may be loaded via bank transfer to the Paynetics account associated with the Card ("Funding Source").
8. We must verify that the Funding Source is valid and legal. For that purpose. We may require You to confirm your Funding Source by such verification methods that We chose for that purpose.
9. You can fund subsequently (reload) your Card via additional bank transfers as appointed in item 1 above.
10. Whenever Card (s) is funded by debiting an account at your financial institution and We are advised of insufficient funds in such account, We may represent such transaction at your financial institution.
11. The Customer may request Paynetics to issue a new card in the following cases:
 - a. In case of destruction or damage to the Card,
 - b. In case of loss, theft or other misappropriation of the Card,
 - c. In case of a forgotten PIN, and
 - d. Upon expiration of the validity period. Upon the expiration of the Card, only the cards used within the past two months before the expiration date will automatically be renewed. The Customer shall pay a fee for the Card renewal in accordance with the Fee Tariff effective as of the date of renewal.
12. In the cases under Clause 11 a), c) and d) above, the Customer shall be required to return the old card which shall be destroyed in the presence of an employee. In case of failure to return the Card, the Customer shall pay a fee according to the Fee Tariff. The Customer shall not pay a fee for failure to return the card if, in accordance with the Agreement, they have requested blocking of the Card due to loss/theft.
13. When the Cardholder receives their Card it will be inactive. The Cardholder should activate the Card prior to using it. Otherwise, any transactions attempted by the Cardholder shall be rejected. The Card shall be activated online by following the instructions for activation provided by the Technical Provider.

4. CARD USE

1. The Cardholder shall use the Card only in person and in compliance with the provisions for issuance and use set out in the Agreement. The Cardholder may not perform any unauthorised transactions with the Card.
2. The Cardholder shall safeguard the Card, the information recorded thereon and the personalised security features of the Card.
3. The physical card may be used on any device accepting cards with the MasterCard® brand, while your virtual Card may only be used for online transactions or transactions performed by phone using mobile applications.
4. Any payment transaction with the Card shall be allowed only after verifying: the accessible cash, the Card status and its limits, and identification of the Cardholder by one of the following methods:
 - 4.1. In case of cash withdrawal from an ATM: by entering a PIN;
 - 4.2. In case of payment for goods or services by a POS terminal: by entering a PIN and/or signature on the POS slip note. The requirement under this Clause shall not be applied in case of contactless payments for amounts under the maximum set by Paynetics.

The maximum amount for a contactless transaction beyond which customer verification is required by entering a PIN shall be approved and confirmed by the International Card Organisation for each country. The signature on the slip note from the terminal device should be identical to the signature on the reverse side of the Card and shall verify the authorisation and the correct execution of the transactions. At the Merchant's request, the Cardholder shall also present a document for identification and

verification of their signature. Failure to provide an ID shall represent a reasonable ground for refusing to effect the payment transaction;

- 4.3. In case of online payments no PIN shall be used but the card authenticity shall be confirmed by a CVC/CVV and a one-time payment code.
5. The Cardholder may carry out transactions with the Card to the amount of the available cash in the account to which the Card was issued in accordance with the limits set to their Card.
6. The Customer needs to make sure there are sufficient funds in the account to which the Card was issued in order to carry out payment transactions with the Card. The Customer should ensure sufficient funds in the Account to which the Card has been issued in order to perform payment transactions with the Card. If the Cardholder performs payment transactions with amounts in excess of the available cash or otherwise exceed it in connection to the Card use, the excess amount shall be recorded as an unauthorised overdraft and charged with an interest rate equivalent to the legal interest rate and the Customer must make an immediate payment of the amount in excess plus the accrued interest.
7. It is possible that some merchants may not accept payments made with the Card. It is a responsibility of the Cardholder to check the policy of each merchant. Paynetics holds no responsibility if a merchant refuses to accept a Card payment.
8. Merchants in certain business sectors (e.g., car rental companies, hotels and other service providers) have the practice to estimate the potential funds that can be spent with them and to require retention of the total amount of the potential funds so estimated. In some cases, that total amount may exceed the amount effectively spent. In such cases, the initially withheld funds from the Card may be held for up to 15 days and the amount will not be available. Paynetics may release such amounts only with the Merchant's consent.
9. If the Card is lost, stolen or damaged, Paynetics shall replace it at the Customer's request by charging a Replacement Fee which shall be deducted from the Paynetics Account. If a card has been reported lost, stolen or misappropriated but later is found, then the Cardholder should immediately inform Paynetics about it and destroy the Card.
10. The Card, physical or virtual, allows Payment transactions related to payment for goods and services, at the initiative of or through the Payee. Your consent to the payment operations to be performed at the initiative of or through the Payee is provided by providing the Payee with the Card identification data (card number, validity period, CVC2 / CVV2 card code), with which you give consent to the Payee to initiate Payment transactions with your Paynetics card and Paynetics to execute them, and you will be bound by the consequences of their execution. In the cases when you agree with the card to perform payment transactions at the initiative of or through the Payee, including through the application, you provide this consent by entering / filling in the Card number, your name, the validity period of the Card, the CVC2 / CVV2 card code and a one-time code (3 D secure) that you will receive for the purpose of giving consent. In case you have given consent with the Paynetics card to perform payment transactions on the initiative of or through the Payee, Paynetics performs these transactions as regularly authorized by you, based on the consent of the recipient and is not responsible for damages or lost profits from performance.
11. In addition to the above in item 10 for Payment Transactions related to Paynetics cards made on the initiative of or through the Payee, You will have the right to request from Paynetics a refund of the entire amount of an already executed and authorized payment transaction in up to 56 days from the date on which your Paynetics account was debited and the following conditions are met at the same time:
 - (a) at the time of authorization to execute the payment transaction, its exact value is not specified, and (b) the value of the Payment transaction exceeds your expected value in view of your previous expenses for such transactions, the terms of these General Terms, etc. case-specific circumstances. You cannot refer to reasons related to a currency exchange when the reference exchange rate agreed with Paynetics has been applied. At the request of Paynetics, you must provide evidence of the existence of the conditions in points (a) and (b) above.

Within 10 working days of receiving your request, Paynetics refunds the entire amount of the Payment transaction or refuses to refund it, indicating the grounds for refusal and the authorities to which you can object if you do not accept the stated grounds for refusal. The refund includes the entire amount of the executed payment transaction, whereas the value date for crediting your Paynetics account will be no later than the date on which your account was debited with the amount of the Payment transaction.

12. You will not be entitled to a refund under item 11 when you have given your consent to perform the payment transaction directly to Paynetics and, where applicable - Paynetics or the Payee has informed you or provided you with information about the upcoming payment transaction under agreed manner at least 28 days before the date of its performing.

5. AUTHORISATION OF PAYMENT TRANSACTIONS

1. Each payment transaction should be approved at the time when it is initiated by the Cardholder. Each payment order and authorisation shall be obtained from Paynetics in an electronic form.
2. In order to ensure extra security when performing online payments, Paynetics registers all Cards issued by the company for the Secure Online Payments service (3-D Secure). The programmes of the International Card Organisations providing such service are the MasterCard Secure Code and Verified by Visa. For each payment on the websites of merchants involved in the MasterCard Secure Code and Verified by Visa programmes, the Cardholder shall receive a text message (SMS) containing a one-time verification code for the payment. Entering the payment verification code is a further identification besides entering the CVV2/CVC2 code on the Card. In the event of misuse of the Card online after learning the verification code from third parties and/or in case of payments with the Card to Merchants not involved in the MasterCard Secure Code or Verified by Visa programmes, Paynetics shall not be held liable and the losses incurred shall be covered by the Customer. Also, Paynetics shall not be held liable for any non-received SMS with a confirmation code in case of failure of the respective mobile communication providers to deliver such notifications or in case of wrongly provided cell phone number. Paynetics shall not be a party to the relationship with the online payment system operator and shall not be held liable with regard to such relationship.
3. The Cardholder shall send an irrevocable order to Paynetics and shall agree to carry out the payment transaction, and also shall give an unconditional consent and order to Paynetics to use the funds in the Paynetics Account and to deduct any fees and commissions payable in relation thereto:
 - 3.1 In case of payment by a physical card at a POS terminal: by providing the Card, placing it on the respective POS terminal and/or entering a PIN to effect the particular payment.
 - 3.2 In case of online payment of goods or services: by entering a CVV2 number/three-digit code of the Card and the one-time transaction code, if requested.
 - 3.3 In the case of transactions effected by an ATM: by inserting the card into the ATM device and entering a PIN in the ATM device.
4. The consent to a Payment Transaction may not be withdrawn or cancelled after it has been received by Paynetics.

6. PAYMENT TRANSACTIONS

1. Paynetics may refuse to carry out any payment transaction ordered with the Card if it does not meet the requirements of this Agreement, including, but not limited to any of the following circumstances:
 - 1.1. Paynetics has a good reason to suspect that the transaction is unauthorized or involved in fraud or illegal activity;
 - 1.2. The Cardholder has not given an exact order to implement the transaction or has given an incomplete order;
 - 1.3. Paynetics has a good reason to believe that there has been a violation of the Agreement;
 - 1.4. For a reason related to compliance with rules and regulations of MasterCard®;
 - 1.5. If there are no sufficient funds in the Paynetics Account or if the transaction violates the set limits;
 - 1.6. By law or by order of a regulatory body;
 - 1.7. Due to a technical impossibility to carry out the transaction.
2. Merchants may not authorize a payment unless they have obtained permission from Paynetics.

3. The Cardholder shall be responsible to provide a correct and accurate order for execution of a payment transaction. If the instructions provided by the Cardholder are incorrect, inaccurate or incomplete, Paynetics shall not be liable for errors or inaccuracies in the transaction. If a payment transaction is carried out in accordance with the instructions provided by the Cardholder, it shall be deemed to be accurately implemented.
4. Each payment transaction made with the Card shall be final and irreversible, except in the following situations at the discretion of Paynetics:
 - 4.1. An error on part of the merchant has been confirmed.
 - 4.2. An illegal activity in connection with the Card has been detected;
 - 4.3. A violation of the Agreement has been established.
5. The maximum period for completion of payment services provided with the Card shall be determined by the rules of card organisations and card operators within the terms set out in Article 87 and Article 88 of the Law on Payment Services and Payment Systems (LPSPS).
6. The implementation of a payment transaction ordered with the Card may be delayed due to the performance of Paynetics' obligations under the applicable anti-money laundering laws, including if Paynetics suspects that the transaction is involved in frauds, illegal or unacceptable activities or constitutes an unauthorised transaction.

7. FEES AND EXCHANGE RATES

1. The Customer shall be charged for the Card issuance and service, and each transaction performed using the Card, by applying the Fee Tariff effective on the date of collecting the fee or the date of effecting the transaction, respectively. The fees due by the Customer shall be collected ex officio from the Paynetics account to which the Card has been issued.
2. By accepting this Agreement, the Customer enables Paynetics to debit the Paynetics Account for all applicable fees in relation to a given transaction made with the Card. All fees shall be determined in the currency of the Paynetics Account. Such fees shall include the fees of relevant third parties whose services are necessary to enable the payment services hereunder to be performed and remitting these fees to the relevant third parties or their Technical Provider.
3. Paynetics reserves the right to change the fees due on a current basis in accordance with the Agreement, and based on such changes, the procedure for changing the Agreement mentioned herein shall be applied. Changes in the reference exchange rate shall apply immediately without prior notice.
4. If the ordered payment transaction is in a currency other than the currency denominated for the Paynetics account, then the amount deducted from the balance shall be the amount of the transaction converted into the currency denominated for the Paynetics account, using the exchange rates used applied by MasterCard®; these exchange rates shall have the meaning of a reference exchange rate in compliance with the Law on Payment Services and Payment Systems (LPSPS), and the changes shall be applied immediately to the relations under the Agreement. The exchange rate shall be determined on the date of the final settlement of the transaction. A fee for foreign currency transactions as described in the Fee Tariff shall also be applied.

8. COMMUNICATION PROCEDURE

1. The Agreement shall be executed in English and the communication between the parties thereto shall also be carried out in English, unless otherwise provided therein.
2. Representatives of the Customer or persons authorised by them may receive information about the payment transactions made with the Card electronically.
3. If any changes are made to the initial contact details provided by the Customer upon signing the Agreement, the Customer should inform Paynetics about it in writing within 7 days. Otherwise all notifications, invitations or other notices sent to the last Customer's electronic address known to Paynetics shall be deemed to have been delivered.

4. Paynetics Customer Relations Centre shall be open from 9 a.m. to 6 p.m., EET, from Monday to Friday. The contact details can be found on the Website. The contact details in case of lost or stolen or non-functioning cards shall be available on the Website. For monitoring purposes, we may record any conversation with the Customer Relations Centre.

5. Paynetics shall provide access to the required information about the Card transactions by means of electronic statements about payment transactions and history of transactions on the Website. Statements shall not be provided on paper. Information about the Card shall be updated, if there was any activity with the Card, including information on all collected fees. From the moment of downloading the statement from the Website the Customer shall be considered to be informed about the relevant transaction, whether they have actually downloaded the said statement or not. The Customer shall be charged for obtaining additional information or for obtaining it in a manner different from the manner described herein.

9. SECURITY MEASURES

1. The Cardholder must keep the Card with diligence by taking all necessary measures against its loss, destruction, damage, or disclosing data recorded on the Card or its personalised security features by third parties. Pursuant to Article 75 of the Law on Payment Services and Payment Systems (LPSPS), the Customer and the Cardholder shall have the following obligations:

1.1. To use the Card in accordance with the terms and conditions for their issuance and use;

1.2. To notify Paynetics of any loss, theft, misappropriation or unauthorised use of the Card immediately after becoming aware thereof;

1.3. Upon receipt of the Card, to make all reasonable efforts to preserve their personalised security features, including not to record any information about those security features on the Card and not to keep such information together with the Card.

2. If the card has been held by an ATM, the Cardholder must immediately notify Paynetics. If Paynetics is not able to give back the card to its Cardholder, Paynetics shall issue a new card to the same account.

3. In the event of loss, misappropriation, destruction, damage, counterfeit or other unauthorised use of the Card, the Cardholder must immediately notify Paynetics by providing their personal details or the Card number, if possible. Notification can be made via the Paynetics Customer Relations Centre or by sending a message on the website via the contact form. Notification can be also made by phone, at the phone number listed on the website. Paynetics makes all reasonable efforts to stop using the Card by blocking the Card transactions after receiving a notification by the Cardholder.

4. Without prejudice to Clause 1 above, in order to ensure the safety of the Card, the Customer/Cardholder must provide at least the following:

4.1. Not to disclose to and/or allow any third party to use in any manner whatsoever the user identifiers, passwords or PINs;

4.2. To ensure the safety of their personal devices (mobile phones, computers, tablets) and to protect their personal devices from unauthorised access;

4.3. To regularly change their password to access the virtual Paynetics Card;

4.4. To use up-to-date virus, malware, and spyware software and a firewall to reduce the risk of security breaches.

5. Paynetics may, at any time at its sole discretion, block or deactivate the Card for reasons related to the following:

(a) In the cases under Clause 3 of this Article;

(b) If there are reasons to doubt the security of the Card;

(c) If Paynetics becomes aware or suspects that the Card is being used in an unauthorised, unlawful or deceptive manner;

- (d) For reasons related to the law enforcement of any applicable jurisdiction or the instructions provided by a Card Organisation;
- (e) If the Agreement is terminated;
- (f) At the request of the Customer: the request can be sent in writing to the following address: 76A James Boucher Blvd., Ground Floor, 1407 Sofia, or using the contact form on the Website;
- (g) If Paynetics discovers or suspects non-compliance with the Agreement; and
- (h) In case of placing a lien on the Customer's Paynetics Account.

6. In the cases under Clause 5 of this Article, if possible, before blocking/deactivation or immediately afterwards at the latest, Paynetics shall notify the Customer about the blocking/deactivation of the Card and the reasons for it, unless providing such information is forbidden for security reasons or to comply with regulatory requirements preventing such reasons from being disclosed to the Customer.

7. The Card shall be unblocked as soon as possible after the reasons for blocking cease to exist. If the Card has been blocked due to Customer's/Cardholder's fault, the Customer shall pay a fee in accordance with the Fee Tariff.

10. LIABILITY

1. The Customer shall be required to notify Paynetics in writing of any unauthorised or improperly executed transaction with the Card without undue delay after becoming aware of the unauthorised or improperly executed transaction but no later than 13 months from the date of debiting the Customer's Paynetics Account. The Customer shall be considered to be informed of an unauthorised or improperly executed transaction as from the moment of downloading the relevant statement from the Website. Paynetics shall not be held liable for any unauthorised or improperly executed payment transactions under this Article 10 where Paynetics has not received a notice within two months from the date when Customer's Paynetics Account was debited.
2. Upon receipt of notification under Clause 1 hereof, the Cardholder has the right to receive a refund of the funds as per this section. Paynetics shall verify the authenticity of the payment transaction, its proper registration and reporting, and whether the transaction has been affected by a technical malfunction or other defect.
3. In the event that Paynetics establishes an unauthorised transaction and where there are no reasonable grounds for suspecting that the Customer/Cardholder acted fraudulently, Paynetics shall refund to the Customer the value of the unauthorised transaction within the statutory timelines. If necessary, Paynetics shall restore the Customer's Payment Account to the status it would be if the unauthorised transaction was not effected.
4. The provision of Clause 3 hereof, shall not apply and the Customer shall bear all losses, irrespective of their amount, relating to unauthorised transactions if the Customer/Cardholder has caused them by fraud or failure to perform one or more of the obligations under the Agreement.
5. Paynetics shall be held liable for any non-executed or improperly executed transaction unless it proves that the payment service provider of the recipient has failed to receive the amount of the transaction within the deadline. In such cases, Paynetics shall promptly reimburse the amount of the transaction and, if applicable, shall restore the account to the status in which it would have been before the transaction was effected. Upon Customer's request, Paynetics shall take due steps to track the transaction and inform the Customer about the outcome.
6. The Customer shall pay a fee in accordance with the Fee Tariff in the cases where it appears that their notification under Clause 1 hereof is unjustified.
7. In the event that you have grounds for recovering amounts from incorrectly performed or unauthorized transactions, we will recover them as soon as possible upon receipt of your claim or any additional information we may request in order to investigate your right to a refund. However, if, following an investigation, we have reasonable grounds to believe that the refund is not actually due to you for any reason or that we have made an unreasonable refund, we will have the right to request a refund of the previous refund and you will be liable for any loss caused to us or to you.

8. Where Paynetics acts as the payee's payment service provider and has not executed or has incorrectly executed a payment transaction, Paynetics shall immediately credit the payee's account specified in the payment order with the amount of the executed or incorrectly executed payment transaction or in case of duplicated transaction-shall refund the account of the payee in the condition in which he would be without the execution of the incorrectly executed payment transaction.

9. Paynetics shall not be held liable to the Customer for damages and losses arising from:

- (a) Any transaction for which the Customer/Cardholder has failed to use the Card in accordance with the Agreement;
- (b) Any transaction performed in accordance with the information which the Customer/Cardholder has provided to Paynetics where it is established that the information provided is incorrect or inaccurate;
- (c) Any unusual or unforeseeable circumstance beyond the control of Paynetics;
- (d) Refusal of a merchant to accept a Card or payment;
- (e) Malfunction of a mobile device or other equipment, software or services required for the successful technical performance of an operation which is beyond the control of Paynetics;
- (f) Compliance with the applicable legal or regulatory requirements or guidelines provided by the Card Organisation.

Any unauthorized transaction in which you have acted fraudulently or when you have intentionally or grossly negligently not used the Card in accordance with these General Terms and Conditions.

- (h) Loss of Customer's revenue, goodwill, lost benefits or expected savings;
- (i) Any loss or damage which is not a direct result nor a direct consequence of a breach of the Agreement by Paynetics; or
- (j) For any loss or damage caused by a virus, Denial of Service attack dissemination or other technologically harmful material that may infect a computer or other device or equipment, software programs, data or other proprietary material in connection to the Card and the Agreement.

8. Paynetics shall not be held liable in case of unjustified refusal of third parties to accept transactions with the Paynetics Card or, if the payment initiated by the Cardholder cannot be made with the Card due to technical, communication or other reasons beyond the control of Paynetics.

9. Paynetics shall not be a party to the relationship between the Customer and merchants, including utility providers, when performing transactions with the Card and shall not be held liable for the quality of goods and/or services provided by the merchant or for possible disputes arising between the merchant and the Customer for this reason.

10. Paynetics shall not be held liable if a notification of destruction, loss, theft, forgery or other misappropriation of a Card made by the Cardholder is untrue and Paynetics has taken the necessary steps to protect the Cardholder by refusing to approve transactions with such Card.

11. The Customer shall be responsible for all obligations arising out of the Card use and shall be liable to Paynetics for all damages caused by the Card improper and/or non-compliant use under the Agreement.

12. In the event of non-performance of the Customer's obligations to Paynetics in connection with the Card use, the Customer may not make objections based on its relations with third parties and/or Cardholders.

12.CHANGES TO THE GENERAL TERMS AND CONDITIONS

12.1. Paynetics may make changes to this Agreement, including the fees set out in the Tariff, as set out further below for reasons which may include (but are not limited to):

12.1.1. changes to the products or services or introducing new products or services under this Agreement;

12.1.2. withdrawal of a particular part of our products or services;

12.1.3. changes in market conditions or operating costs that affect Paynetics;

12.1.4. changes in technology, our systems and/or payment methods;

12.1.5. making this Agreement clearer or more favourable to you; or

12.1.6. changes in relevant laws or regulations, or codes or rules that apply to Paynetics.

12.2. Paynetics will notify you about any changes to this Agreement, including the Tariff, and the date on which such changes shall take effect, by posting a notice on the Website, App and/or via email, at least 2 months before the changes take effect. When we notify you directly in the App, we will send an active notification (push notification) to your device, which you can open after logging into the App, and which will contain information about the upcoming changes and where you can view them. Paynetics can make immediate changes, without notice to you, to the exchange rates used to convert Account or Card payments where such changes are the result of changes in the reference rate we have disclosed to you or are more favourable to you.

12.3. If you do not approve of the changes to this Agreement, you have the right to terminate this Agreement free of charge by informing Paynetics before the changes take effect. Paynetics will treat you as having accepted the changes unless you inform Paynetics that you do not approve these changes before they take effect.

13. TERM OF THE AGREEMENT. TERMINATION. VALIDITY PERIOD OF THE CARD

1. The Agreement shall be deemed to have been made and shall become effective the moment it is signed by the Customer and approved by Paynetics. The Agreement shall be valid until the same is terminated in any of the ways provided in the Agreement.

2. The Agreement shall be made for a validity period coinciding with the validity period of the Card(s), including in the cases of reissuance of the Card within the validity period provided in the Agreement.

3. Upon expiration of the term referred to in Clause 2 above, a new Card(s) shall be issued and the Agreement shall be automatically renewed for a new period of time equal to the validity period of the new Card(s) if it is not terminated by one of the parties in the ways specified in the Agreement. The Card shall not be reissued if the Customer makes a written request to terminate the Agreement by the end of the month preceding the month of its expiry.

4. The Agreement shall be terminated:

4.1. In the cases under Clause 12.2;

4.2. Upon closing the payment account to which a Card has been issued;

4.4. By the Customer:

a) Upon expiry of the Card and a written request for termination of the Agreement;

b) On the date of submitting a written request for termination of the Agreement.

4.5. By Paynetics:

a) With a two-month written notice;

b) Without a notice: in case of breach of the provisions of the Agreement by the Customer or a Cardholder;

c) If this is a requirement to Paynetics by a regulatory authority or a Card Organisation, or it is required in order to comply with regulations or prohibitions on money laundering or terrorist financing;

d) In other cases provided by law or in the Agreement.

5. Upon the occurrence of any of the conditions under Clause 4 above, the Customer's right to use the Card (s) shall be terminated and the Cards shall be deactivated. The Customer shall be required to return the cards issued under the Agreement, and all Paynetics receivables under the Agreement, if any, shall become payable.

6. The Customer shall be responsible for all transactions performed prior to termination of the Agreement, their resulting liabilities and any other obligations relating to the use and servicing of the Card prior to such termination.

14. LEGAL PROTECTION PROCEDURE

1. Paynetics shall review any objections submitted or disputes raised by the Customer or its signatory in connection with the payment services provided and shall notify the Customer of its decision within fifteen business days from their submission.

2. If Paynetics fails to announce its decision within the time limit referred to in Clause 1 above or the decision is not to the Customer's satisfaction, the Customer may refer the dispute to the Conciliation Committee for Payment Disputes with the Commission for Consumer Protection (1000, Sofia, 1 Vrabcha Str, fl. 4, Bulgaria). Details of the service offered by the Conciliation Committee for Payment Disputes are available at www.kzp.bg and <https://abanksb.bg/pkps/pkps-contacts-En.html>.

3. The Agreement shall be governed by the relevant Bulgarian laws. Any disputes related to their interpretation or implementation shall be finally settled by the competent Bulgarian court.

15. MISCELLANEOUS

1. The Agreement have been executed based on and in compliance with the Law on Payment Services and Payment Systems (LPSPS), the regulatory acts issued in terms of its implementation and other relevant regulatory acts.

2. Personal data shall be processed by means of automatic devices in compliance with the European Union Law, the Law on Personal Data Protection and the international treaties to which the Republic of Bulgaria is a party. In order to meet its statutory obligations, Paynetics shall apply customer due diligence procedures, and in addition shall provide information to the National Revenue Agency and other competent government authorities.

3. Paynetics may transfer its rights and obligations under the Agreement to another company or individual at any time. The Customer shall be entitled to transfer its rights and obligations under the Agreement to another individual or company only after obtaining written consent from Paynetics.

4. If a court or competent authority establishes that a certain provision in the Agreement (or any part of any provision) is invalid, illegal or unenforceable, such provision (or part of it) shall be deemed to be non-existent to the extent necessary, but the validity and applicability of all other provisions of the Agreement shall not be affected.