

Cardholder Agreement – Consumers

Introduction

These terms and conditions (together with the Tariff and any other documents incorporated by reference, the **“Agreement”**) set out the terms and conditions that apply to your Account, Card and any other associated services provided to you by Paynetics AD (**“Paynetics”**, **“we”**, **“us”**, **“our”**) under this Agreement.

This Agreement constitutes a legal contract between you and Paynetics. It contains important information that may affect your rights, use of any of our services and your ability to recover your money. Please read all of the documents forming part of this Agreement carefully and keep a copy or download a copy of them for your records and future reference.

This Agreement shall be governed by and construed in accordance with the laws of the Republic of Bulgaria, without giving effect to conflict of law principles, and subject to mandatory provisions under the laws of your country of residence. To the extent that Bulgarian law is in conflict with laws of your country of residence, Bulgarian law shall prevail to the maximum extent possible. If not prohibited by the laws of your country of residence, disputes shall be settled by Bulgarian courts.

You can request a copy of this Agreement at any time throughout its duration by contacting Customer Relations Centre. By submitting your order for a Card to Paynetics and by clicking **“I Accept”** in the relevant box, you indicate that you have accepted this Agreement.

You should read this Agreement alongside Privacy Policy which you can view here <https://paynetics.digital/privacy-and-security-policy/>. Our Privacy Policy (as it may be amended from time to time in accordance with its terms), together with this Agreement, describes the basis upon which any personal data we collect about you, either directly or from our authorised partners or that you provide to us or them, will be processed, handled and shared by us.

1. DEFINITIONS

In this Agreement:

“Account” means any e-money payment account opened and maintained for you by Paynetics under this Agreement.

“App” means either Mobile App and / or Web App as available.

“ATM” means an automated teller machine that can be used for cash withdrawals using a Card, and sometimes for other payment and non-payment transactions.

“Card” means any Paynetics debit Mastercard© card issued to you by Paynetics that is linked to your Account(s) . The Card is a type of a payment instrument which allows you to access the Account’s balance to make debit card payments. The Card may be physical or virtual.

“Card Organisation” means Mastercard International (‘MasterCard’), VISA Europe (‘VISA’) or any other organisation maintaining a card payment system under which Card payments are processed.

“Faster Payments” means a payments system which allows sending and receive payments in GBP the UK between participating payment service providers.

“Mastercard” means Mastercard International Incorporated or its successors.

“Mobile App” means the mobile application developed by the Technical Provider and published in the Apple AppStore and Google PlayStore, which enables you to access your Account and/or Card.

“Paynetics”, **“we”**, **“us”**, **“our”** means:

(a) where payment services under this Agreement are provided in the UK - Paynetics AD, a company with its seat and registered address at Ground Floor, 76A James Bouchier, Lozenets District, Sofia Municipality, Sofia, Bulgaria, entered in the Bulgarian

Commercial Register kept by the Registry Agency under UIC: 131574695 ("Paynetics AD") or such other Paynetics entity authorised in the UK as notified to you. For the purposes of UK services, Paynetics AD is an electronic money institution deemed authorised and regulated by the UK Financial Conduct Authority under the Temporary Permissions Regime (firm reference number 900785) for the issuance of e-money and provision of payment services in the UK. Details of the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the Financial Conduct Authority's website; or

(b) where payment services under this Agreement are provided in the EEA – Paynetics AD. For the purposes of EEA services, 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.

"PIN" shall mean a unique four-digit personal identification number, which can be used to confirm Card payments.

"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.

"Prohibited Transaction" means any of transactions or activities as listed below or as may be subsequently made available on the Website from time to time:

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 or Account in a manner and/or for purposes that violated any applicable law and/or regulations of the Card Organisation or SEPA;

"SEPA" means Single Euro Payments Area scheme, which allows sending and receiving payments in EUR between participating payment service providers.

"Tariff" means the fees and limits applicable to your Accounts, Card and any other services provided to you under this Agreement. The Tariff, as amended from time to time, is available on the Website

"Web App" means the web application developed by the Technical Provider and run on a web server, which enables you to access your Account and/or Card.

"Website" means the following website:.....

2. ABOUT OUR SERVICES

- 2.1. Your Accounts are maintained by Paynetics and the Card is issued to you by Paynetics. The value stored on your Accounts is electronic money, otherwise referred to as 'e-money'. Paynetics is not a bank and your Account is not a bank account. The funds available in your Account are not a deposit. No interest will accrue on your Account balance. Your Card is a debit card linked to your Account, it is not a credit or charge card.

- 2.2. The Financial Services Compensation Scheme does not apply to funds held in your Accounts. Instead, Paynetics protects your funds through a process known as 'safeguarding', in line with its regulatory requirements. In this process, Paynetics keep your money separate from our own funds and places it in a safeguarding account with a bank or cover it by an insurance policy or a comparable guarantee. Before we provide any of our services to you, you will have to successfully complete our process for verifying your identity. The process may involve you providing us a valid passport / ID card and a bank statement or other identification documents, as well as a selfie, together with the presented identity document in real time, or any other procedure we may specify. We may use ID verification agencies or other automated platforms to verify your identity. We or the Programme Manager may require you to provide additional information at any time for the duration of this Agreement.
- 2.3. This Agreement will only become effective once you receive a confirmation that Paynetics has approved your application. Paynetics will not be obliged to provide any of the services under this Agreement before such confirmation is provided. Paynetics may refuse to approve any application and/or enter into an agreement for its services for any reason.
- 2.4. To be eligible for our Account and associated services, you must be: (a) 18 years of age or over; and (b) UK resident (for services provided in the UK). We can close your Account or stop providing our services if we find out you are not eligible for it.
- 2.5. The Account and Card are issued to individuals only. You may only use your Account and Card personally and do not have the right to transfer their use to anyone else. In case you allow access to or provide any other means to use your Account or Card to any other person, you will bear full responsibility for all payments initiated by them.
- 2.6. You must not use your Account or Card for or in relation to (including sending or receiving proceeds from):
- 2.6.1. any activities which do not comply with any applicable laws or regulations, including but not limited to laws relating to money laundering, fraud, financial services or consumer protection;
 - 2.6.2. Prohibited Transaction under this Agreement; or
 - 2.6.3. trading or business purposes.

3. RECEIVING/SENDING PAYMENTS

- 3.1. When this Agreement becomes effective, Paynetics will set up and maintain:
- 3.1.1. an EUR Account with a dedicated IBAN and one or more Cards, which may be used for sending or receiving payments via SEPA in EUR and for Card payments and cash withdrawals in EUR; and/or
 - 3.1.2. a GBP Account with a dedicated IBAN, an account number with sort code and one or more Cards, which may be used for sending or receiving payments via Faster Payments in GBP and for Card payments and cash withdrawals in GBP.
- 3.2. Limits may apply to your Account and Card, such as limits on minimum load payments to your Account, the maximum balance that can be held on your Account, the value of individual Account and/or Card payments or an aggregate value or number of payments in a particular time period. The applicable limits are as set out in the Tariff and may be changed by us from time to time. To manage our risk, particularly with respect to money laundering, fraud or security concerns, we may also apply internal controls, including limits, to certain types of transactions from time to time but for security purposes, will not disclose them.

4. LOADING FUNDS TO YOUR ACCOUNT

- 4.1. The minimum load amount to top up your Account is indicated in the Tariff.
- 4.2. The balance of the Account should never exceed the limits set out in the Tariff.
- 4.3. You can load your Account using the following methods:

- 4.3.1. EUR Account can be loaded by receiving payments via SEPA;
- 4.3.2. GBP Account can be loaded by receiving payments via Faster Payments.
- 4.4. The received funds will be credited to your Account immediately after Paynetics receives the funds.
- 4.5. Paynetics may refuse to execute an incoming payment and your Account will not be credited if:
 - 4.5.1. your Account or payment breaches any of the limits as set out in the Tariff;
 - 4.5.2. your Account is inactive, blocked or terminated;
 - 4.5.3. the sender has provided incorrect/invalid Account details for payment;
 - 4.5.4. Paynetics reasonably believes the payment is fraudulent, illegal or unauthorised;
 - 4.5.5. Paynetics reasonably believes the payment related to a Prohibited Transaction.
- 4.6. If an incoming payment is refused for any of the reasons set out above, the funds may be sent back to the sender without prior notice to you.
- 4.7. Paynetics will charge you with a top up fee every time your Account is loaded as set out in the Tariff.

5. MAKING PAYMENTS FROM YOUR ACCOUNT

- 5.2. You must make sure that your Account has sufficient funds available to cover the amount of a given payment and all applicable fees. Paynetics may refuse to perform any given payment if your Account does not have sufficient balance to cover the amount of the payment and all applicable fees.
- 5.3. Paynetics will execute your payment instructions for payments from your Account on the same day it receives them (or the future day agreed if it is in the future). The time of receipt of your payment instruction is when Paynetics receives it (which will typically be on the same day you instruct the payment) or, if the payment instruction specifies the payment is to take place on a future day, then your payment instruction will be treated as received on that day. You cannot cancel a payment after you have authorised it and Paynetics has received your payment instruction for it, except that you can cancel a future payment, such as a recurring Card payment if you notify Paynetics of cancellation no later than the end of the business day before the payment is due to be made via the App. Cancelling a future dated payment such as a recurring Card payment with us will not cancel the agreement with the organisation you are paying. You should tell the organisation collecting the payment about the changes to your instructions.
- 5.4. After receiving your payment instruction for payment from your Account (including Card payments), Paynetics will credit the recipient's account within the timescales set out below.

Type of payment	Delivery to the recipient's account
Payments in EUR or GBP to an account in the UK or the EEA (including where there has been a currency conversion between EUR and GBP)	No later than the end of the business day after your payment instruction is received
Payments in any other currency or to an account outside the UK or the EEA	Varies, depending on the currency or country the payment is sent to

- 5.5. Paynetics will deduct the value of payments together with all applicable fees from the balance on the relevant currency Account. Payments from your Account by way of credit transfers in EUR or GBP will be deducted from your EUR or GBP Account respectively. Card payments in EUR or GBP will also be deducted from your respective currency Account. Card payments in any other currency will always be deducted from your Account at then prevailing currency conversion rates. If there is insufficient balance on the relevant GBP or EUR Account to complete the payment, including all applicable fees, funds will be automatically transferred from your Account in the other currency to your relevant currency Account at then prevailing currency conversion rates. If there is insufficient balance on both your EUR and GBP Accounts to complete the

payment, including all applicable fees, the payment will be refused. See clause 11 for more detail on the applicable currency conversion rates and fees.

- 5.6. You agree you will not make any attempts to interrupt or impair the functionality of our information system, including but not limited to, not to spread files containing viruses, damaged files or other similar software which may be used for accessing, modifying, deleting or damaging data files.

6. ACCESS TO YOUR ACCOUNTS BY THIRD PARTY PROVIDERS

- 6.2. You may choose to allow (and provided you have given them your explicit consent):

- 6.2.1. providers of account information service (i.e. an online service which accesses one or more payment accounts to provide a consolidated view of such accounts) to access information on your Account; and/or
- 6.2.2. providers of payment initiation service (i.e. an online service which allows a third party to initiate payments on behalf of the account holder from their account and at their request) to initiate payments (other than Card payments) from your GBP and EUR Accounts.

- 6.3. Only those providers of account information or payment initiation services that are authorised with the Financial Conduct Authority or another European regulator to provide the relevant service in the UK or an EU member state, as applicable, can be given access to your Account. The Financial Conduct Authority's register (available at <https://register.fca.org.uk/>) will tell you whether a provider is authorised in the UK, and we recommend you check it before using their services.

- 6.4. We will treat any instruction from such providers of account information or payment initiation services as if it was from you. Some providers may use your Account security details to provide their service. You should always consider the implications of sharing your security information.

- 6.5. We can deny providers of account information or payment initiation services access to your Account if we are concerned about unauthorised or fraudulent access. We will notify you of the denial of access and the reasons for it beforehand if possible or otherwise immediately afterwards (unless doing so would compromise our security measures or would be unlawful). The access to your Account may be restored once the reasons for denying the access no longer justify such denial.

7. GIVING INSTRUCTIONS FOR PAYMENTS FROM YOUR ACCOUNTS

- 7.2. For a payment from your Account (including transfers to your other Accounts) to be properly executed, you must provide us the following information when you instruct us to make the payment (in addition to any other information we may ask for):

- 7.2.1. for payments from your GBP Account to a UK account via Faster Payments: the recipient's name, account number, the payment amount and sort code and a payment reference;
- 7.2.2. for payments from your EUR Account to an EEA account via SEPA: the recipient's (beneficiary) name, IBAN, the payment amount, its currency and reason for payment (this information meant for the beneficiary), additional clarifications;
- 7.2.3. for payments from your EUR Account to an account outside the EEA via SEPA (to countries that participate in SEPA): in addition to information set out at 7.1.2, you will also need to provide the sender's (originator) address and may also be required to provide the recipient's (beneficiary) bank's BIC;

- 7.3. for any payments above EUR 15,000 or its equivalent in another currency: the sender (originator) and / or recipient (beneficiary) could also be required to provide a declaration to prove the origin of funds; If you provide us with incorrect or incomplete information or refuse to provide information, we may refuse to execute the payment, the funds could be lost and irrecoverable or there could be a delay in the recipient receiving the payment.

- 7.4. You give us instructions and consent to a payment from your Account in one of the following ways:

- 7.4.1. using the App;

- 7.4.2. giving us instructions via a third party (such as payment initiation service provider);
- 7.4.3. using Cards (see clause 10 below on how you instruct us to make payments using a Card);

You may be required to provide security details and/or use a particular authentication method depending on the method you use. We will tell you which authentication can be used or if they are unable for any particular types of service. Paynetics reserves the right to change or introduce new authentication methods at any time, including for reasons relating to changes in the law, technical characteristics of the services or security.

7.5. Paynetics may refuse to carry out any instructed payment from your Account if it does not meet the requirements of this Agreement, including, but not limited to any of the following circumstances:

- 7.5.1. Paynetics reasonably suspects that the payment is unauthorised or involved in fraud or illegal activity;
- 7.5.2. your instruction is unclear, incorrect or incomplete;
- 7.5.3. Paynetics reasonably believes that there has been a violation of this Agreement;
- 7.5.4. you have failed to use the authentication method and/or provide security information required;
- 7.5.5. there are insufficient funds in the Account to cover the payment and any applicable fees;
- 7.5.6. the payment violates any applicable limits;
- 7.5.7. carrying out your instruction might cause us to break the law, order of a regulatory body, code, rule of Card Organisation or other duty applicable to Paynetics;
- 7.5.8. due to a technical impossibility to carry out the payment;
- 7.5.9. Paynetics reasonably believes payment is related to a Prohibited Transaction.

7.6. If we refuse to execute the payment, we will notify you as soon as possible unless it would not be unlawful for us to do so. If possible, we will provide the reasons for refusal to execute the payment and where those reasons relate to factual matters, the procedure for rectifying any factual errors that led to such refusal.

7.7. The execution of any payment to or from your Account (including Card payments) may be delayed or refused due to the performance of Paynetics' security or legal compliance checks, including if Paynetics suspects that the payment is involved in fraudulent, illegal or unacceptable activities or constitutes an unauthorised payment.

8. DESCRIPTION OF THE CARD

- 8.2. Your Card is issued to you by Paynetics and is linked to your Account in EUR and/or GBP, as applicable, maintained by Paynetics. Your Card can be used in your country of residence or abroad.
- 8.3. The Card is issued under the Mastercard brand pursuant to license granted by Mastercard International.
- 8.4. Unless specified otherwise in this Agreement, your Card can be used to pay merchants for goods or services at (whether in-store, online or over the phone) and for cash withdrawals at ATMs. If you have been issued with a virtual Card, it can only be used to pay merchants online. Your Card can be used at all card acceptance terminal devices bearing the Mastercard logo which maintain the necessary functions.
- 8.5. Card payments will be executed immediately after Paynetics receives the payment request.
- 8.6. The value of all Card payments, including all applicable fees, will be deducted from your relevant Account balance, see clause 5.4.

- 8.7. You will be responsible for all goods or services purchased with the Card. Any dispute with a merchant about a product or service purchased with the Card will be considered a dispute between you and the merchant, and should be addressed directly to that merchant. Paynetics does not accept any responsibility or liability for the quality, safety, legality or any other aspect relating to and does not provide any warranties regarding such goods or services purchased with the Card.
- 8.8. Paynetics will not be liable if a merchant refuses to accept a Card or if Paynetics has refused to execute a payment in accordance with this Agreement.
- 8.9. The Card is property of Paynetics as a card issuer and cannot be transferred and/or made available to anyone else.

9. CARD ISSUANCE, LOADING, ACTIVATION AND REPLACEMENT

- 9.2. Each Card has a validity period within which you may use the Card. If your Card is physical, it will expire on the last day of the month/year indicated on its front. If your Card is virtual, it will expire on the last day of the month/year indicated on the App or on the expiry date sent to you by e-mail. All Card payments initiated after the expiration or cancellation of the Card will not be authorised or executed.
- 9.3. Paynetics will issue the Card within 10 business days from the date your application is accepted and, if the Card is not virtual, will deliver it to you personally. If your Card is virtual, the Card will be made available to you via the App immediately after your application is approved by Paynetics.
- 9.4. The physical Card will be personally delivered to you and you may be required to produce an ID document to collect it. You must sign on the signature strip on the reverse side of the physical Card immediately after receiving it.
- 9.5. You will be provided with a PIN to use with your Card. You can change your PIN at an ATM. You should memorise your PIN and then destroy the media on which it is recorded. You have important obligations to keep your security details such as PIN safe (see clause 14 below).
- 9.6. You may request Paynetics to issue a new Card in the following cases:
- 9.6.1. in case of destruction or damage to the Card;
 - 9.6.2. in case of loss, theft or other misappropriation of the Card,
 - 9.6.3. in case of a forgotten PIN, and
 - 9.6.4. upon expiry of your Card's validity period. If your Card expires, it will only be automatically replaced if your Card was used within the last two months before its expiry date.
- 9.7. If your Card is replaced because it was lost or damaged, or in case of a forgotten PIN or upon expiry of your Card's validity period, you will be charged a Replacement Fee (see Tariff) which will be deducted from your Account. If your Card has been reported stolen or misappropriated you will be charged a fee that is directly related to the cost of replacement (see Tariff). If your Card has been reported lost, stolen or misappropriated but later is found, then you should immediately inform Paynetics about it and destroy the Card.
- 9.8. When you receive the Card it will be inactive. You have to activate the Card before using it. Otherwise, any Card payments attempted by you will be rejected. The Card can be activated online by following the instructions for activation provided to you.

10. GIVING INSTRUCTIONS FOR CARD PAYMENTS

- 10.2. You give us an instruction and consent to a payment made using your Card using any one of the following methods:
- 10.2.1. in case of cash withdrawal from an ATM: by entering a PIN;
 - 10.2.2. in case of payment for goods or services in-store: by entering a PIN and/or signature on the receipt or by tapping/waving the Card (or a device where it is held) over a card reader for contactless payments;

- 10.2.3. in case of online payments for goods or services online or via the phone: by providing your Card details and a one-time payment code or other security information or credentials, when requested.
- 10.3. Your consent for a Card payment may cover a single payment or a series of recurring payments on a Card (such as where you give your Card details to a merchant to be used for Card payments in the future) for a set or variable amount.
- 10.4. Merchants in certain business sectors (e.g. car rental companies, hotels and other service providers) estimate the amount of the final Card payment to them and require to “pre-authorise” or withhold the estimated amount on the Card. Sometimes, that withheld amount may exceed the final amount spent. In such cases, the initially withheld funds will not be available to you for up to 15 days until the final Card payment request is received by us or released by the merchant. Paynetics may release such amounts only with the merchant’s consent.
- 10.5. You are responsible to provide a correct and accurate instructions for execution of a payment. If the instructions provided by you are incorrect, inaccurate or incomplete, Paynetics will not be liable for errors or inaccuracies in the transaction. If a payment is carried out in accordance with the instructions provided by you, it will be deemed to have been correctly executed.

11. FEES AND EXCHANGE RATES

- 11.2. Fees that apply to your Account, Card and associated services and/or transactions are as set out in the Tariff. All fees will be determined in the currency of the relevant Card and/or Account to which they relate and will be deducted from the relevant Account.
- 11.3. Paynetics reserves the right to change the applicable fees in accordance with this Agreement (see further clause 16). Changes in the reference exchange rate will apply immediately without prior notice.
- 11.4. If a payment received or sent into/from your Account is in a currency other than the currency of the Account (including transfer between your different currency Accounts), then the payment amount will be converted into the currency of the destination account using an exchange rate made up of a reference rate (available at the App) plus the currency conversion mark-up fee as set out in the Tariff. The exchange rate will be determined at the time (with respect to payments into Account) the payment is received or (with respect to payments from Account) the payment instruction is received by Paynetics.
- 11.5. If a payments using a Card is in a currency other than the currency of the Account from which it is taken, then the amount deducted will be the amount of the Card payment converted to the currency of the Account using the reference exchange rate applied by MasterCard® (available at <https://www.mastercard.co.uk/en-gb/personal/get-support/convert-currency.html>) plus the currency conversion mark-up fee set out in the Tariff for Card payments. The exchange rate shall be determined on the date of the Card payment is processed. The exchange rate is not set by Paynetics and varies throughout the day meaning it may change between the date the Card payment is made and the date it is processed. Paynetics provides information on the total currency conversion charges applicable with respect to Card payments, expressed as a percentage mark-up over the latest available euro foreign exchange reference rates issued by the European Central Bank on the Website.

12. NEGATIVE BALANCE

- 12.2. If any action results in a negative balance in your Account, you must reimburse Paynetics the amount of the negative balance immediately upon request. Paynetics may charge the amount of the negative balance against the funds on any other Accounts held by you, including any subsequently loaded funds. Paynetics may suspend Accounts and Card until it is reimbursed for the negative balance in full and may take legal action against you to recover such amount.

13. COMMUNICATION PROCEDURE

- 13.2. The Agreement is executed in English and all communications between you and us will be in English, unless expressly agreed otherwise in this Agreement.
- 13.3. Your representatives or persons authorised by you may receive information about the payments made with the Card/Account electronically.

13.4. We can communicate with you (including to provide any information or notifications in relation to this Agreement) using any of the following methods:

- 13.4.1. via the App;
- 13.4.2. by email;
- 13.4.3. by phone (including by sending you an SMS);
- 13.4.4. by writing to your home address.

We will tell you if any of these communication methods are not available. We will also tell you if you need any technical requirements or software to communicate with us.

13.5. We will use the contact information you have most recently given us to communicate with you. If any of your contact details change, you must inform Paynetics about it as soon as possible by updating your details via the App. All notifications, invitations or other notices sent to your last email address last known to Paynetics will be deemed to have been delivered.

13.6. You can contact Paynetics via Customer Relations Centre (see contact details at clause 21).

13.7. Paynetics will provide information about your Account and Card transactions and fees by means of electronic statements which will be accessible on the App. Paynetics will also notify you at least once per month by SMS or email that your statement is ready. Statements will not be provided on paper. You should carefully review your Account and Card transaction information regularly. Your statements will remain available on the App for you to access for 1 year. You may wish to download or print your statements for your future reference. You will be charged a fee (see Tariff) if you ask us to provide additional information or provide it in a different manner than as described here.

14. SECURITY MEASURES

14.2. You must use your Card and Account in accordance with the terms and conditions set out in this Agreement. You have important obligations to do everything you reasonably can to keep your Account and Card safe and to notify Paynetics of any loss, theft, misappropriation or unauthorised use of the Card or Account immediately after becoming aware of it as further described below.

Your obligations to keep your Account and Card safe

14.3. You will be provided with or will be able to set up certain security details (such as your Card PIN and any password, passcode or other login details which can be used to access or make payments with your Account or Card via the App). You must:

- 14.3.1. take all reasonable measures to keep your Account, Card and security details safe;
- 14.3.2. not write down any of your security details (such as PIN or password) unless it is done in a way to make it difficult for anyone else to recognise them;
- 14.3.3. not record security details such as PIN on the Card or keep such information together with the Card;
- 14.3.4. not to disclose to and/or allow anyone else (other than authorised providers of account information services or payment initiation services) to use in any manner whatsoever your security details such as user identifiers, passwords or PINs;
- 14.3.5. keep your Card and any personal devices (mobile phones, computers, tablets) that can be used to access your Account, Cards or security details secure and not let anyone else use them to make payments;
- 14.3.6. not choose security details such as PIN or password to access your Card or Account that is easy for someone to guess such as letters or digits that:

- 14.3.6.1. are easily associated with you, for example your telephone number or date of birth;
 - 14.3.6.2. are part of the data imprinted on the Card;
 - 14.3.6.3. consist of the same digits (1111) or the sequence of running digits (1234); or
 - 14.3.6.4. are identical to previously selected PIN/password.
- 14.3.7. use up-to-date virus, malware, and spyware software and a firewall on any devices used to access your Account or cards to reduce the risk of security breaches.

Your obligation to notify us

- 14.4. If your Card has been withheld by an ATM, you must immediately notify Paynetics. If Paynetics is not able to return the Card to you, Paynetics will issue a new Card to replace it.
- 14.5. You must immediately notify Paynetics Customer Relations Centre (using contact details at clause 21) if:

- 14.5.1. your Card is lost, stolen or misappropriated; or
- 14.5.2. you believe there has been unauthorised use of your Card or Account or anyone else may be able to use or access your Account, Card or security details to access them.

Paynetics will make all reasonable efforts to stop the use of Account and/or Card by blocking the Account and/or Card payments after receiving a notification from you.

- 14.6. Paynetics may restrict, block or deactivate the Card or Account if:
- 14.6.1. Paynetics is concerned about the security of the Card or Account or the security details relating to them;
 - 14.6.2. Paynetics becomes aware or suspects that the Account, Card or security details relating to them are being used in an unauthorised, unlawful or fraudulent manner;
 - 14.6.3. Paynetics reasonably believes it needs to do so to comply with the law or court order in any applicable jurisdiction, the instructions provided by a Card Organisation or any other rule or duty applicable to Paynetics;
 - 14.6.4. this Agreement is terminated for any reason;
 - 14.6.5. you request us to do so;
 - 14.6.6. you have breached any term of this Agreement in a material way.
- 14.7. We will, if possible, notify you before restricting, blocking or deactivating your Account or Card that we will do so and the reasons for it. If we are unable to notify you beforehand, we will notify you immediately afterwards. We will not notify you if doing so would compromise our security measures or would be unlawful.
- 14.8. Your Card and/ or Account will be unblocked or re-activated (or replaced) as soon as possible after the reasons for blocking cease to exist.

Communicating with you about fraud or security threats

- 14.9. We may need to contact you urgently in the event of suspected or actual fraud or security threats to your Account, Card and/or security details. To do so, we may use an SMS, telephone, e-mail or another secure procedure. When we contact you, we may also give you information on how you can minimise any risk to your Account, Card or security details depending on the nature of the security threat. But will **never** ask you to give your full security details (such as PIN, password or passcode) or ask you to transfer money to a new account for security reasons.

15. LIABILITY & REFUNDS

- 15.2. You must notify Paynetics in writing of any unauthorised or incorrectly executed payments on your Card or Account without undue delay after becoming aware of such unauthorised or incorrectly executed payment and in any case no later than 13 months from the date the payment was debited to your Account. You can notify us of such unauthorised or incorrectly executed payments by contacting the Customer Relations Centre (see clause 21 for details).
- 15.3. If you notify us of an unauthorised or incorrectly executed payment in accordance with clause 15.1, you may be entitled to receive a refund of the funds as detailed below. Paynetics will verify the authenticity of the payment, its proper recording and reporting, and whether the transaction has been affected by a technical malfunction or other defect.
- 15.4. In you are entitled to a refund for an incorrectly executed or unauthorised payment, we will refund you 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 after we refund you, our investigation leads us to reasonably that you were not entitled to the refund, we will have the right deduct the amount of the refund from any funds on Accounts you hold with us and reserve the right to recover the value of the refunded payment by any other legal means.

Unauthorised payments from your Account or Card

- 15.5. If Paynetics establishes you have not authorised a payment from your Account or using your Card (for example, someone else made it) and there are no reasonable grounds for suspecting that you acted fraudulently, Paynetics will refund the value of the unauthorised payment by no later than the end of the business day after you notify Paynetics of the unauthorised payment. The refund will include any fees to restore your Account to the position it would have been at if the unauthorised payment was not made. Paynetics may hold you responsible for up to first £35 for services provided in the UK and EUR 50 for services provided in the EU incurred as losses with respect to unauthorised payments arising from the loss, theft or misappropriation of your Card or security details before you notify Paynetics.
- 15.6. You will not be entitled to a refund and you will bear all losses, irrespective of their amount, relating to an unauthorised payment if:
- 15.6.1. the payment was authorised by you;
 - 15.6.2. you have acted fraudulently;
 - 15.6.3. you have intentionally or with gross negligence have failed to comply with one or more of the obligations under this Agreement (for example, with regards to keeping your Account and Card safe or to notify us of any unauthorised payments).

Non-executed or Incorrectly executed payments from your Account or Card

- 15.7. If Paynetics fails to execute or incorrectly executes a payment from your Account or made using a Card, Paynetics will promptly reimburse the amount of the payment (including any fees to restore the Account to the position it would have been at if the defective payment was not made), unless Paynetics can show that the recipient's payment service provider has received the payment (in which case they will be liable). In this case, on your request, Paynetics will make reasonable efforts to trace the payment and inform you about the outcome.
- 15.8. Paynetics will not be liable for any payment executed in accordance with the payment instructions given by you. If the payment instruction you have given us was incorrect or incomplete (for example, you have made a mistake in giving us the recipient's account details), Paynetics will make reasonable efforts to recover the payment amount. Paynetics may charge you a fee for any such recovery as indicated in the Tariff. If Paynetics is not able to recover the payment amount, Paynetics will, on your written request, provide you with the relevant information about the payment.

Late or incorrectly executed payments to your Account

- 15.9. If Paynetics has received a payment for your Account but has not executed or incorrectly executed the payment (for example, where Paynetics is responsible for crediting your Account with the received payment later than it should have

been), Paynetics will immediately credit your Account with the correct amount (including any fees to restore the Account to the position it would have been at if the payment was executed correctly and in time).

- 15.10. If a payment is received in your Account incorrectly (for example, by mistake), Paynetics may, where it considers reasonable to do so, hold the payment and return it to the sender. In any case, Paynetics is obliged to provide certain information to the sender's payment service provider about you and the payment to enable them to recover the funds.

Payments initiated by payee

- 15.11. If you authorise a payment initiated by or through the payee without knowing the final amount of the payment (for example, a Card payment initiated by the merchant when renting a car or booking a hotel room), you have the right to request Paynetics for a refund of such payment provided that all of the following conditions are met:

- 15.11.1. you have asked for a refund within 8 weeks from the date on which your Paynetics Account was debited;
- 15.11.2. at the time of authorisation to execute the payment, its exact amount was not specified; and
- 15.11.3. the amount of the payment exceeded the amount you could have reasonably expected taking into account your previous spending patterns, the terms of this Agreement and the case-specific circumstances. If the amount of the payment increased because of the currency exchange when the reference exchange rate agreed with Paynetics has been applied, it will not be a valid reason.

At the request of Paynetics, you must provide information to show the conditions above have been met.

- 15.12. Within 10 business days of receiving your request for a refund, or, where applicable, of receiving the further information Paynetics requested, Paynetics will refund the full amount of the payment or inform you of the refusal to refund it, together with the grounds for refusal and the authorities to which you can complain if you do not accept those grounds. The refund will include the entire amount of the payment which will be dated back to the date on which your Account was debited.
- 15.13. You will not be entitled to a refund of any payment initiated by or through payee when:
- 15.13.1. you have given your consent to perform the payment directly to Paynetics; and
 - 15.13.2. where applicable, Paynetics or the payee has informed you about the upcoming payment at least 4 weeks before it was due to be made.

General liability

- 15.14. Paynetics will not be liable to you for any damages or losses arising from or relating to:
- 15.14.1. your failure to use the Card or Account in accordance with this Agreement;
 - 15.14.2. any payments executed in accordance with the information or instructions provided by you which were incorrect, inaccurate or incomplete;
 - 15.14.3. any unusual or unforeseeable circumstances beyond the control of Paynetics, the consequences of which could not be avoided despite Paynetics' best efforts;
 - 15.14.4. refusal of a merchant, ATM or any other person to accept the Card or any other Account payment;
 - 15.14.5. 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;
 - 15.14.6. compliance with the applicable legal or regulatory requirements or any rules or guidelines provided by the Card Organisation;

- 15.14.7. you acting fraudulently or with gross negligence;
 - 15.14.8. loss of revenue, goodwill, lost benefits or expected savings;
 - 15.14.9. any loss or damage which is not a direct result nor a direct consequence of a breach of this Agreement by Paynetics; or
 - 15.14.10. 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, Account and this Agreement;
 - 15.14.11. the quality, safety, legality or any other aspect of goods and/or services purchased using the Card or Account or any possible disputes arising between you and the provider of such goods/services;
 - 15.14.12. Paynetics refusing to accept or execute any payment or restricting, blocking or deactivating your Account and/or Card in accordance with this Agreement;
 - 15.14.13. loss or damage beyond Paynetics' responsibility by law.
- 15.15. None of the terms of this Agreement will limit or exclude Paynetics' liability for fraud, gross negligence or any other liability which cannot be legally excluded or limited by law.
 - 15.16. You are responsible for the use of the Card and Account in accordance with this Agreement. You will be liable to Paynetics for all losses and damages caused by their improper and/or non-compliant use that does not comply with this Agreement.

16. CHANGES TO THIS AGREEMENT

- 16.2. 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):
 - 16.2.1. changes to the products or services or introducing new products or services under this Agreement;
 - 16.2.2. withdrawal of a particular part of our products or services;
 - 16.2.3. changes in market conditions or operating costs that affect Paynetics;
 - 16.2.4. changes in technology, our systems and/or payment methods;
 - 16.2.5. making this Agreement clearer or more favourable to you; or
 - 16.2.6. changes in relevant laws or regulations, or codes or rules that apply to Paynetics.
- 16.3. 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.
- 16.4. 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.

17. TERM OF THE AGREEMENT. CANCELLATION. TERMINATION. VALIDITY PERIOD OF THE CARD

- 17.2. This Agreement will become effective when your application is approved by Paynetics. This Agreement will remain valid until it is terminated in accordance with its terms.
- 17.3. You can cancel your Account and Card and terminate this Agreement within 14 days of the date you receive confirmation your application has been approved by Paynetics by contacting the Customer Relations Centre. You will not be charged for cancelling within this period and the funds in your Account will be returned to you in accordance with clause 18. You will not be entitled to a refund of any payments and associated fees made from your Account or using the Card up to the date you notify Paynetics of the cancellation.
- 17.4. This Agreement can be terminated by you:
- 17.4.1. notifying Paynetics you do not accept changes to this Agreement in accordance with clause 16.3;
 - 17.4.2. notifying Paynetics of the cancellation of this Agreement in accordance with clause 17.2;
 - 17.4.3. providing Paynetics a written request for termination of this Agreement at any time.
- 17.5. This Agreement can be terminated by Paynetics:
- 17.5.1. providing you 2 months' notice of termination of this Agreement;
 - 17.5.2. immediately if:
 - 17.5.2.1. you breach an important term or persistently breach the provisions of this Agreement;
 - 17.5.2.2. Paynetics reasonably believes that your Account, Card or any of its services is being used for any fraudulent or illegal purposes or in an unauthorised manner or for Prohibited Transactions;
 - 17.5.2.3. Paynetics is required to so to comply with any law or regulation or a requirement by a regulatory authority or a Card Organisation;
 - 17.5.2.4. Paynetics reasonably believe that continuing to permit use of your Account or Card may cause Paynetics to breach any applicable law or regulation, code or other duty applicable to it or expose Paynetics to any adverse action, censure, fine or penalty from any regulatory authority, law enforcement or other governmental agency or Card Organisation;
 - 17.5.2.5. you become bankrupt or die;
 - 17.5.2.6. in other cases provided by law or in the Agreement.
- 17.6. If this Agreement is terminated for any reason, your right to use the Account and Card will be terminated, your Account will be closed and Card will be deactivated. All fees and other amounts due to Paynetics under the Agreement, if any, will become payable on termination. You can request the return of any remaining funds on your Account in accordance with clause 18.
- 17.7. You will be responsible for all payments performed prior to termination of this Agreement, their resulting liabilities and any other obligations relating to the use and servicing of the Account or Card prior to such termination.

18. REDEMPTION

- 18.2. You can redeem all or part of the e-money held on your Account any time for the duration of this Agreement by requesting Paynetics to refund it to you. After this Agreement is terminated, you can only request to redeem the remaining e-money on your Account in full. You can request to redeem the e-money by contacting Customer Relations Centre. You will need to provide Paynetics the details of an account [which must be an account in your name] to which

you would like the refund to be made and any other details we may require. Paynetics may require you to provide satisfactory confirmation of your identity and address before the refund is made.

18.3. All redemptions will be paid in the currency of your Account in which the remaining e-money being redeemed is held, at an exchange rate (if applicable) prevailing at the time of processing the redemption.

18.4. A redemption fee (see Tariff) will be charged to cover redemption costs on each redemption request if:

18.4.1. redemption is requested before this Agreement is terminated for any reason;

18.4.1.1. you terminate this Agreement before any agreed termination date; or

18.4.1.2. redemption is requested more than one year after the date this Agreement is terminated.

18.5. The redemption fee (see Tariff) will not be charged for redemption that is requested:

18.5.1.1. at termination of this Agreement or up to one year after that date;

18.5.1.2. when you cancel this Agreement in accordance with clause 17.2.

18.6. Paynetics will not refund the remaining value of e-money on your Account if you make the request for redemption more than 6 years after the date of termination of this Agreement.

19. COMPLAINTS

19.2. If you wish to complain about Paynetics services under this Agreement, you can do so by contacting Paynetics Customer Relations Centre.

19.3. You can find more information on how we handle complaints on the Website. We will provide you with a copy of our complaints procedure on your request or if we receive a complaint from you. In most cases, Paynetics will review your complaint and provide a full response within 15 business days from the date the complaint is received. In exceptional circumstances, where Paynetics is unable to respond to your complaint in full within that timeframe, Paynetics will send you a holding response with reasons for the delay and the timeframe within which you will receive a full response, which in any case will be within 35 business days from the date your complaint was received.

20. Where the payment services under this Agreement are provided in the UK, if Paynetics fails to provide a full response to your complaint within the time limit referred to above or has failed to resolve your complaint to your satisfaction, you may refer your complaints to the Financial Ombudsman Service (Exchange Tower, London E14 9SR, phone 0800 023 4567, email complaint.info@financial-ombudsman.org.uk). Details of the service offered by the Financial Ombudsman Service are available at www.financial-ombudsman.org.uk.

20.2. Where the payment services under this Agreement are provided in the EEA, if Paynetics fails to provide a full response to your complaint within the time limit referred to above or has failed to resolve your complaint to your satisfaction, you may refer your complaints to the Payment Disputes Conciliation Committee with the Commission for Consumer Protection (1000, Sofia, 1 Vrabcha Str, fl. 4, Bulgaria). Details of the service offered by the Payment Disputes Conciliation Committee are available at www.kzp.bg and <https://abanksb.bg/pkps/pkps-contacts-En.html>.

21. MISCELLANEOUS

21.2. Where the payment services under this Agreement are provided in the UK, this Agreement shall be governed by the English law. Any disputes relating to this Agreement will be finally settled by English court.

- 21.3. Where the payment services under this Agreement are provided in the EEA, this Agreement shall be governed by the Bulgarian law. Any disputes relating to this Agreement will be finally settled by Bulgarian court.
- 21.4. Paynetics may transfer or assign its rights and obligations under this Agreement to another company or individual at any time. If the transfer means that another organisation will be providing the services under this Agreement to you instead of Paynetics, Paynetics will give you notice of the transfer and the date when the transfer will take effect. Unless specified otherwise in the notice, the terms of this Agreement will be binding on you and the transferee as if the transferee was the original party to this Agreement from the date the transfer takes effect. This will not affect any of your legal rights relating to this Agreement or the services provided under it.
- 21.5. You cannot transfer or assign any of your rights and obligations under this Agreement to another individual or company without Paynetics' prior written consent.
- 21.6. 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.

22. CUSTOMER RELATIONS CENTRE

- 22.2. You can contact Paynetics Customer Relations Centre using the contact details set out below. For monitoring purposes, we may record any conversation with the Customer Relations Centre.

22.2.1. Contact us about our services (open from 9 a.m. to 6 p.m., EET, from Monday to Friday):

22.2.1.1. by phone: [●]

22.2.1.2. by email: [●]

22.2.1.3. by writing at [●].

22.2.2. Report lost, stolen or misappropriated Cards or other unauthorised access to your Account (available 24 hours a day):

22.2.2.1. Via the app;

22.2.2.2. Via +44 20 3769 8510