

GENERAL TERMS AND CONDITIONS FOR SERVICING PAYMENTS WITH PAYMENT AND PREPAID CARDS AT A POS TERMINAL DEVICE

These General Terms and Conditions for servicing payments with payment and prepaid cards at real and virtual POS terminal devices, hereinafter referred to as General Terms and Conditions, govern the relations between UniCredit Bulbank AD, entered in the Commercial Register with the Registry Agency under UIC 831919536, registered seat and management address: 7 Sveta Nedelya Sq., Vazrazhdane District, city of Sofia, website: www.unicreditbulbank.bg, performing Banking activities under the supervision of the Bulgarian National Bank by virtue of license PD22-2249/16.11.2009, hereinafter referred to as the Bank, and clients of the Bank, hereinafter referred to as Clients: legal entities, sole traders, the persons specified in art. 2 of the Commerce Act and budgetary organizations, arising with the acceptance, processing and servicing, on an account of the Client with the Bank of non-cash payments for goods and/or services offered by the Client with payment and prepaid cards at an electronic (real and/or virtual) POS terminal device.

The General Terms and Conditions are binding for Clients and constitute an integral part of the agreement on servicing payments with payment and prepaid cards at a real POS terminal device as well as the agreement on servicing payments with payment and prepaid cards on the Internet (virtual POS terminal device), also referred to as the POS Terminal Device Agreement, governing the payment relations, rights and obligations of the Bank and Clients.

Section I. GENERAL TERMS AND CONDITIONS FOR REAL AND/OR VIRTUAL POS TERMINAL DEVICES

1. Pursuant to these General Terms and Conditions the definitions listed below shall have the following meaning:

1.1 Real POS terminal device – a fixed or mobile electronic physical device provided and/or serviced by the Bank, installed at a commercial outlet/premises of the Client in the territory of the Republic of Bulgaria for the purpose of acceptance of payments with payment and prepaid cards in the presence of the authorized user and the card. With regard to commercial outlets in the Republic of Bulgaria without a fixed location, the Bank provides a mobile POS terminal device to a Client with a seat and tax registration in the territory of the Republic of Bulgaria. As an exception, a real POS terminal device can be installed in the premises of diplomatic, consular or military representations of the Republic of Bulgaria.

1.2 Software terminal POS device (ePOS) – a real terminal POS device, which is a mobile electronic physical smart device with an installed software application for accepting payments with payment and prepaid cards in the presence of the authorised user of the card.

1.3 Virtual POS terminal device – a logical device, defined in the card system of the Bank, for remote acceptance of electronic payment and prepaid card payments via the website of the Client with a seat and tax registration in the territory of the Republic of Bulgaria.

1.4 Blocking an amount on a card (Authorization function at a real POS terminal device) – an additional functionality of a real POS terminal device for manual input of card data using the keyboard of the terminal device and keeping (blocking) an amount on a card for a 30-day period, without carrying out a financial transaction.

1.5 Key Entry – an additional functionality of a real POS terminal device for manual input of card data and initiation of a card payment using the keyboard of the terminal device, carrying out a financial transaction.

1.6 Cash back – allows an authorized user of a debit/credit user payment card of a brand and issuer, for which the Bank provides such option, to receive cash when paying the price of a purchase at a real POS terminal device.

1.7 Contactless payment - making a contactless payment on a real POS terminal device in any of the following ways:

1.7.1 The payment is made by waving the payment/prepaid card, having a specific distinctive symbol, in the range of a real POS terminal device or the contactless reader connected to it, without having to insert or slide the card through the reader.

1.7.2 The payment is made via a digitalized card (a bank card included by its authorized user in a digital wallet and by waving a mobile device with a Near Field Communication (NFC) functionality (a technology where by means of a hardware (chip) available in the mobile device, a high-speed data transfer is made from the mobile device to another device that is in close range (between 4 and 10 cm) and providing a possibility for contactless payments/withdrawals with bank cards and/or mobile devices).

1.8. Tokenization (card on file) – additional functionality of a virtual POS terminal device providing the opportunity for its authorized user to securely register a card for future payments with the respective Client. The Client receives a token that can be used both for operations ordered by the authorized user without entering card data, and for setting operations without the involvement of the authorized user, with the prior consent of the user. The registration of a card token with a Client is carried out after a thorough authentication of the authorized user and successful completion of the first transaction.

1.9. Recurring payments – additional functionality of a virtual POS terminal device where the purchase of goods or services is made through regular fixed payments (subscriptions, installments, etc.) by debit or credit cards. Recurring payments are made by the payment server of BORICA AD¹ on behalf of the Client under a payment plan based on parameters such as regularity, amount, expiration date, etc. agreed with the end user. The recurring payment plan is created after a thorough identification of the authorized user and successful completion of the first transaction.

1.10. Accepting payments via Apple Pay/Google Pay virtual wallets – additional functionality of a virtual POS terminal device allowing acceptance of payments via the Apple Pay or Google Pay virtual wallet, respectively at <https://www.apple.com/apple-pay> and <https://pay.google.com/about>, without the need for the authorized user to enter card details.

1.11. Credit operation for cash disbursement – POS device for performing credit transactions for transferring money from the Client's account, servicing the virtual POS terminal defined by the Bank, to a payment/prepaid card, with which a purchase at a virtual POS terminal device of the Client was paid for.

1.12. Deferred collection of a previously blocked amount – additional functionality of a virtual POS terminal where, upon an online order, the virtual POS terminal automatically blocks the amount of the order on the Client's payment card and, in the next step, upon the actual execution of the order, the ordered amount, which may be the same or less than the initial amount, is actually transferred.

1.13. Brands of payment and prepaid cards which can be accepted as a payment instrument for making non-cash payments at a POS terminal device:

1.13.1. Mastercard, Maestro;

1.13.2. Visa;

1.13.3. Diners Club International;

1.13.4. Bcard;

1.13.5. UnionPay;

1.13.6. Other brands of payment and prepaid card approved by the Bank.

The Bank has the right to limit the brands of payment and prepaid cards, which can be accepted as a payment instrument in carrying out non-cash payments on a software terminal POS device (ePOS).

1.14. Client – a legal entity, sole trader, the persons specified in art. 2 of the Commerce Act and a state budgetary organization.

1.15. Regulated merchants – clients with an activity which is subject to licensing regimes, with a high probability to generate disputed payments by the authorized users of payment cards due to fraud, failure to deliver the goods/services and/or non-conforming services and/or goods, or in case of an impaired financial condition, distraint/s, non-performing or restructured loan(s).

1.16. Types of payment and prepaid cards according to their functionality and the person to whom they are issued which are accepted at a POS terminal device:

1.16.1. Debit consumer cards with immediate debit – for individuals;

1.16.2. Credit consumer cards and cards with deferred debit – for individuals;

1.16.3. Corporate cards – debit and credit cards for legal entities, sole traders, persons specified in art. 2 of the Commerce Act and state budgetary organizations.

1.17. 3D Secure –system for authentication of an authorized payment card user in real time when payment is made at a virtual POS terminal device, using a password or confirmation by means of biometrics. It ensures maximum card payment security levels with a Client under one of the following schemes:

1.17.1. Visa Secure –Visa cards;

1.17.2. Mastercard Identity Check –Mastercard and Maestro cards;

1.17.3. 3D Secure ProtectBuy – Diners Club International cards;

1.17.4. Secret code of BORICA AD – Bcard cards;

1.17.5. Other scheme – other brands of payment and prepaid cards approved by the Bank.

1.18. ICOs (International card organizations) – legal entities managing the card brands.

1.19. BORICA AD – a joint-stock company owned by the Bulgarian National Bank and the commercial banks in the country, ensuring the continuous operation of an Authorization Centre – 24 hours/7 days a week.

1.20. Disputed payment – a procedure for full or partial reimbursement of a certain amount paid via a

¹ AD stands for Public Limited Company/Joint Stock Company

card transaction. Such reimbursement is made by the card issuing bank in case of violations which have taken place upon acceptance of payment or in the event of a fraudulent transaction or at the initiative of the authorized user. The Bank which has processed the Client's payment shall have the possibility to present it again for payment by the authorized card user only if it is proven that there are no omissions in the acceptance payment process, governed by these General Terms and Conditions and the Instructions on the acceptance of payment with payment and prepaid cards.

1.21. An unauthorized transaction or a fraudulent transaction is a transaction intentionally (deliberately) made with a card or card details obtained illegally (a lost, stolen card or a card obtained on the basis of false documents, etc.), a forged or counterfeit card or stolen card details. Such a transaction is made without the knowledge and consent of the authorized card user and without his/her permission, the latter refusing to accept the costs related thereto.

1.22. Account – EUR payment account of Client maintained by the Bank and specified in the POS Terminal Device Agreement concluded by the Bank and Client.

1.22.1. On the specified account the Bank books the accepted payments with payment and prepaid cards on a real and virtual POS terminal device.

1.22.2. Only for a virtual POS terminal device, the currency of the account can be in USD only for the booking of the accepted payments with payment and prepaid cards.

1.22.3. The rights and obligations of the parties in relation to the opening and servicing of the account shall be governed by the General terms and conditions of the Bank for opening, servicing and closing bank accounts and the "Business Leader" package programme of legal entities and sole traders and for the provision of payment services.

1.22.4. The maintenance of the account by the Client is a mandatory requirement for the fulfillment of the obligations of the Bank under the POS terminal agreement and these General Terms and Conditions.

1.22.5. The client shall be obliged to provide funds on the account in order to pay to the Bank all fees, commissions and other charges related to the opening and maintenance of the account, as well as those occurring in relation with processing of disputed payments, in accordance with the signed Agreement, the present General Terms and Conditions and the Tariff for the Fees and Commissions of UniCredit Bulbank AD applicable to legal entities and sole traders.

2. General provisions

2.1. The Bank is not a party with regard to the legal relations between the Client and its customers related to the Client's business in offering goods and/or services, their quality and/or quantity, terms of delivery/performance, etc.

2.2. The Bank acts as a payment intermediary with regard to non-cash card payments at a POS terminal device (real or virtual).

2.3. The Bank shall provide to the clients with a real and/or virtual POS terminal device an account statement according to the established legal requirements, and also shall prepare specialized POS reports after a submitted request and payment of the relevant fees according to the Tariff for the Fees and Commissions of UniCredit Bulbank AD applicable to legal entities and sole traders.

2.4. The two parties undertake to cooperate with each other in the performance of all activities related to payments with cards, described in item 1.13, within the subject matter of the agreement for a POS terminal device, such as:

2.4.1. In accordance with the regulations the Bank shall book on the account of the Client all payments for goods or services ordered in the Client's favour made with cards, specified in paragraph 1.13 in accordance with the Instructions on the acceptance of payment and prepaid card payments.

2.4.2. By crediting the Client's account, the obligation of the Bank, subject matter of the POS Terminal Device Agreement, is discharged with each payment ordered by using a payment and prepaid card.

2.5. Pursuant to the POS Terminal Device Agreement the Client offers its customers payment by cards specified in paragraph 1.13 in accordance with the requirements for payment processing specified in the Instructions on the acceptance of payment and prepaid card payments and these General Terms and Conditions.

2.6. The Client shall accept authorized payments made with Visa, Mastercard, Maestro, Diners Club International, Bcard and UnionPay payment and prepaid cards as well as other card brands as per paragraph 1.13. A Client which takes a decision not to accept all cards or other payment instruments under a given card scheme shall notify users clearly and unambiguously at the time the Client notifies users of the acceptance of other cards and payment instruments under a given card scheme. This information shall be displayed on a visible place at the entrance of the commercial outlet/premises and

at the cash desk of the Client.

2.7. The pricing terms offered by the Bank shall be made known separately by brands of payment and prepaid cards in accordance with paragraph 1.13 and shall apply to all types of cards specified in paragraph 1.16.

2.8. If after the conclusion of the POS Terminal Device Agreement the Bank approves a new brand of payment and prepaid cards which can be accepted as a payment instrument at a POS terminal device, Client shall pay the Bank a merchant service fee for the new brand of cards specified in the applicable Tariff for the Fees and Commissions of UniCredit Bulbank AD, unless an annex has been signed with the Client regarding a merchant service fee for the new brand of cards.

2.9. The Client grants their written consent to the Bank for collection of receivables. Based on this consent, the Bank shall collect unilaterally the fees and commissions payable under POS Terminal Device Agreement, as well as other charges occurring in connection with the POS terminal device use, according to the POS Terminal Device Agreement, these GTC and the Tariff for fees and commissions of UniCredit Bulbank AD, applicable to legal entities and sole traders, from any of the Client's accounts in the national or foreign currency under the terms and conditions for maintaining the respective account. In case the account is in a currency other than the currency of the Client's liability to the Bank, the latter shall collect its receivables from that account based on the official exchange rate of the Bank on the date of the transaction.

2.10. The Bank can send the Client notifications/notices also by means of an electronic message, sent to the electronic address/es indicated by the Client in document/s presented to the Bank and/or the last indicated electronic address/es ("E-mail of the Client") on the record of the Client in a public/official register, and/or made in the account of the Client in the electronic banking channels of the Bank, and/or through the use of other permanent media.

2.11. The Bank is obliged to transfer to the Client's account the amounts for payments made with payment/prepaid cards under the terms and conditions of the contract for the POS terminal device, these General Terms and Conditions and in the Instructions for accepting payments with payment and prepaid cards via the Internet.

3. Disputed payments

3.1. In case the Bank has any doubts, upon receipt of information from ICOs or from the authorities of the Ministry of Interior or from other Banks regarding payments made with stolen, counterfeit or unauthorized payment/prepaid cards or such made without the knowledge and/or consent of the authorized card user, the Bank has the right to visit the Client without prior notice and conduct an onsite investigation. The Client shall cooperate and provide the information requested by the Bank concerning the disputed payments.

3.2. In case of a subsequent claim against payment/prepaid card payments, resulting from noncompliance with the Instructions on the operation with payment and prepaid cards or non-fulfillment of the Client's obligations in accordance with these General Terms and Conditions and/or the POS Terminal Device Agreement, the latter shall be liable with its property up to the amount of the claimed amounts immediately due to the Bank as of the date of receipt of the claim.

3.3. In the process of establishing the validity of the grounds for claim, the Bank shall follow the Operational Rules of ICOs, the effective legislation of the Republic of Bulgaria and the information received from the competent state and international institutions, ICO etc.

3.4. Until establishing the validity of the claim and/or the suspected illegal use of payment/prepaid cards, the Bank shall be entitled to block automatically the Client's account for the full amount of each disputed payment.

3.5. When a claim is received, in case the Client is unable to provide documents evidencing the validity of the performed transaction, the participation of the authorized user of the card and his/her agreeing with the terms and conditions of the payment, the Client shall authorize the Bank to refund the respective amount on the card with which the transaction was made. After a refund of the amount by the Bank, the Client shall accept and acknowledge that the Bank has fulfilled a monetary obligation instead of it.

3.6. In case of a reasonable claim under term 3.3 or in case of non-fulfillment of the Client's obligations under these General Terms and Conditions, the agreement for a POS terminal device and the relevant Instructions for acceptance of payments with payment and prepaid cards, the Bank shall debit the automatically blocked account for the amount of the reasonable claim, for which the Client authorizes it by virtue of these General Terms and Conditions. In case of insufficient funds for the purpose of automatic debiting by the Bank, each refund by the Bank shall form a debt for the Client, and such debt is immediately due and payable from the time of its occurrence.

3.7. The Bank shall not be responsible for claims related to the terms of delivery, the quality of the goods

and performance of the services provided by the Client in accordance with the responsibilities of the parties set out in the Client's General Terms and Conditions for working with customers as well as in the cases in which the transaction is null and void for any reason whatsoever or the Client has been credited or has attempted to be credited in relation to a non-existing purchase, has behaved dishonestly or has tried to behave dishonestly with the Bank irrespective of the manner. In such cases the risk and the responsibility shall lie with the Client.

3.8. At the Client's request, the Bank may escalate a specific case concerning a disputed payment to be considered by an independent Arbitration Committee of ICO, where for such purpose the Client has to provide consent and ensure funds in advance on the account serving the POS terminal to cover the amount of the transaction and the respective arbitration fee of ICO.

4. Rights of the Bank

4.1. The Bank has the right to conduct periodic inspections of the commercial outlet/premises of the Client with a POS terminal device provided and/or serviced by the Bank, as well as to check the website of the Client.

4.2. The Bank has the right to unilaterally set additional requirements or restrictions as regards card payment acceptance by the Client.

4.3. If the Bank has any doubts and/or receives information from ICOs, the Ministry of Interior, State Agency for National Security, other competent state and/or international institutions and/or other banks concerning payments with stolen, counterfeit and/or unlawful payment/prepaid cards, the Bank has the right to block the amounts of the transactions, conduct an unexpected inspection of the Client without prior notice, conduct an on-site investigation as well as automatically block the account to the full amount of these payments. The Client shall cooperate and provide any information requested by the Bank.

4.4. The Bank shall not be liable for any losses of the Client caused by payments ordered at its merchant outlets/website made in violation of or non-compliance with the requirements of the Instructions on the acceptance of payment and prepaid card payments.

4.5. The Bank has the right to extend the period for crediting the Client's account specified in the POS Terminal Device Agreement if an investigation has been initiated by reason of doubts about payments ordered with counterfeit, non-valid and/or unlawful payment/prepaid cards or without the knowledge and/or consent of the authorized user until the lawfulness of the ordered payment is established but not more than 15 (fifteen) working days from the date on which the Bank has received information about the initiation of the investigation. The Bank shall duly inform the Client about the crediting extension period within three days from the date of initiation of the investigation without having to pay any default interest and/or any other indemnity regardless of the outcome of the investigation.

4.6. The Bank has the right to refuse to book an ordered payment under paragraph 4.4 on the Client's account in case of confirmation pursuant to the rules of ICOs or the card issuing bank that this is an illegal payment order made with a counterfeit, non-valid and/or unlawful payment/prepaid card or without the knowledge and/or consent of the authorized card user as well as in case of noncompliance with any of the provisions in these General Terms and Conditions or the Instructions on the acceptance of payment/prepaid card payments on the part of the Client. The Bank shall not assume liability resulting from transactions with a non-valid, counterfeit or an unauthorized card as well as transactions carried out without the knowledge and/or the consent of the authorized card user. The Bank shall inform the Client of any ordered illegal payment within the meaning of this subsection which will not be booked on its account and of the reasons for this within five days of taking a decision.

4.7. If the Bank identifies that the payment ordered with the Client by which its account has been credited has been made with a counterfeit, non-valid and/or unlawful card or in case the card is presented for payment by a person other than the authorized user, the Client, by virtue of these General Terms and Conditions, shall grant the Bank the explicit right to debit its account by reversal of the wrong credit and booking it on the account of the affected party. The risk of payments with counterfeit, non-valid and/or unlawful payment cards as well as in the cases of card payments ordered by a person other than the authorized user shall entirely lie with Client.

4.8. The Client provides its explicit and unconditional consent that the Bank may use any information in electronic, paper or other form received from ICOs, competent state or international institutions, BORICA AD, law enforcement and judiciary bodies in relation to payment with payment and prepaid cards via a POS terminal devices, serviced by the Bank and used by the Client, as a valid and binding material attesting to identified violations, as grounds for requesting information or for recovery of damages suffered by the Bank in relation to the implementation of these General Terms and Conditions.

4.9. In case any bad practices on the part of the Client are reported, the Bank has the right to automatically block the amount of the accepted payment/prepaid card payments on the account of the

Client through the POS terminal serviced by the Bank and used by the Client for the last 120 days in order to ensure funds for satisfying financial claims of the authorized card users who have suffered damages as a result of such practices.

4.10. The Client shall entirely be liable for the payment of compensation and shall immediately compensate the Bank upon first request and with no right of dispute for any damages suffered by the Bank to the amount of the sanctions imposed on the Bank by competent state and international institutions and/or ICOs in relation to and/or in case of non-compliance by the Client with the provisions of the POS Terminal Device Agreement and/or these General Terms and Conditions, the Instructions on the acceptance of payment and prepaid card payments and the rules and standards of ICOs therein, and shall also reimburse the Bank the full amount of the costs incurred by the Bank for a mandatory audit carried out by external institutions in relation to the Client's violations, subject to sanctions.

4.11. The Bank has the right to automatically collect from the Client's account all costs and damages arising directly or indirectly from the infringement of the POS Terminal Device Agreement, non-compliance with these General Terms and Conditions and the Instructions on the acceptance of payment and prepaid card payments by the Client for which the Client grants it consent.

4.12. The Bank shall perform monitoring on a monthly basis in respect of making a risk assessment of the Client. In case the Client is classified as a regulated merchant/a High-Risk Client, the Bank shall have the right to take actions and measures (limiting the possibility to accept payment/prepaid cards on a POS terminal device, serviced by the Bank, requirement for a financial collateral, unilateral termination of the Agreement in order to mitigate the risk, of which it shall notify the Client).

5. Rights of the Client

5.1. The Client has the right to refuse to accept card payments in case of:

- 1) Impossibility to receive confirmation for the execution of the transaction;
- 2) Doubts as to the lawfulness of the transaction;
- 3) Suspicion of a false or counterfeit payment/prepaid card – some of the mandatory security elements on the card are missing – regarding payments at a real POS terminal device;
- 4) Unsuccessful authentication of the authorized card user for payment at a virtual POS terminal device;
- 5) Impossibility for authentication of the authorized card user for payment at a virtual POS terminal device;
- 6) Refusal to sign the transaction receipt when required and when there is a signature field;
- 7) Payer's refusal to certify that he/she is the authorized user of the card by providing an identity document;
- 8) By order of the Bank.

5.2. The Client has the right to receive information concerning the booked and executed card payments on their accounts as well as information for previous periods regarding all payments made at their merchant outlets/premises/on their website.

5.3. The Client has the right to create the design of the message that the authorized card user sees after receiving authorization and after rejection of the transaction respectively, when making a card payment at a virtual POS terminal device.

5.4. The Client has the right to perform an automatic check about the status of a transaction on a virtual POS terminal device through the interface for access on the Client's website to the accepting and payment server of BORICA AD or through an additional manual check of a transaction through the provided web-based application for remote access (Merchant portal) to the system of BORICA AD.

6. Termination of the Agreement on servicing payments effected by payment and prepaid cards at a POS terminal device

1. The Agreement may be terminated:

- a) By mutual consent of the parties, provided that each party has fulfilled its respective obligations;
- b) By the Client by giving a month's written notice to the Bank, provided that there is no violation of the clauses of the agreement and there are no unsettled claims or other disputes between the parties. The agreement shall be terminated upon expiry of the notice period, but only if the Client has repaid all amounts due and payable to the Bank in relation to and/or on occasion of the fulfillment of the agreement;
- c) By the Bank by giving two months' notice to the Client;
- d) By a notice with immediate effect from its date, sent to the Client, when the Client/ the owners

of the capital/ its legal representative/proxy is/are found to be included in restrictive lists drawn up by the United Nations Security Council, SDN lists of OFAC and of the European Commission and/or that they are included in the list under the Measures against Financing of Terrorism Act – a list drawn up by the Council of Ministers and including individuals, legal entities and organizations that are subject to special measures and/or when it is established that the Client is a person that carries out an activity linked to terrorism or terrorist financing;

e) By a notice with immediate effect from its date, sent to the Client, upon receiving a report for an activity which is illegal, unlawful, fraudulent, derogatory to the reputation of the Bank and/or the international card organizations, as well as upon accepting card payments for goods and/or services other than those listed in the agreement;

f) By termination of the agreement for the account used for booking the payments made via the POS terminal device;

g) In case the Client does not agree with amendments to these General Terms and Conditions, respectively the Tariff of the Bank and/or the Interest Bulletin of the Bank for the Fees and Commissions applicable to legal entities and sole traders proposed by the Bank, it shall have the right to terminate the agreement before the changes take effect.

2. The start of the term of notice under letter “b” and letter “c”, and respectively the notification under letter “d”, shall be the date of its receipt by the respective party – addressee under the agreement. The notice by the Bank under letter “c”, and respectively the notification by the Bank under letter “d”, when it is made in a paper form, shall be considered to have been received by the Client when it is sent to the latest management address indicated in the relevant register. If the Client has left his/her address and his/her new address has not been entered in the relevant register, the notice or notification by the Bank shall be deemed to have been duly received, irrespective of the acknowledgment of receipt.
3. The notice under letter “c”, and respectively the notification under letter “d” can be sent to the Client, in addition to the terms and procedure of para. 2, and/or: a. with an electronic statement sent to the E-mail of the Client (according to the definition of this term as per item 2.12). The notice, respectively the notification, will be considered to have been received by the Client on the day it is sent to the E-mail of the Client, unless an automatic message is received from the E-mail of the Client that the message has not been sent successfully and/or received; b. with an electronic statement made in the profile of the Client in the electronic banking channels of the Bank; c. through other permanent media.
4. In case of termination of the agreement the Bank shall make the due payments under this agreement in favor of the Client which have arisen before its termination.
5. Any financial liabilities and relations which have remained outstanding after the termination of the effect of the agreement shall be resolved in accordance with its provisions until their final settlement.
6. Upon termination of the agreement, the Client shall return the POS terminal device immediately when it is property of the Bank, sign an Acceptance Statement and remove any distinctive signs for acceptance of card payments from its outlet. In case this obligation is not fulfilled, the Bank shall be entitled to claim its rights in court procedure and to collect automatically the value of the POS terminal device booked under the Bank’s fixed tangible assets, taking into account the depreciation rate for the period of operation, on a payment account of the Client opened with the Bank, for which the Client grants its consent.

Section II. SPECIAL TERMS AND CONDITIONS FOR A REAL POS TERMINAL DEVICE

1. Obligations of the Bank

1.1. The Bank shall service the real POS terminal devices under the POS Terminal Device Agreement concluded by the Client. The devices that are property of the Bank shall be provided to the Client to be used in return for payment for the term of effect of the POS Terminal Device Agreement by virtue of a statement of acceptance.

1.2. The Bank provides the Client, which by signing the POS Terminal Device Agreement accepts, also the following:

Instructions on the acceptance of payments with payment and prepaid cards at a real POS / Instructions on installation and acceptance of payments with payment and prepaid Visa and MasterCard cards via a software terminal POS device (ePOS),

- 1) and depending on the subject of activity and the functionalities of the POS terminal device: the amendments thereto, Instructions on the acceptance of payments with payment and prepaid cards at a real terminal device mPOS Cashier, Instructions on the acceptance of

- payments with payment and prepaid cards at real terminal device mPOS Smart.
- 2) Distinctive features and advertising materials clearly showing that the commercial outlet/premises of the Client accepts payments by payment and prepaid cards specified in paragraph 1.13.
- 1.3. The Bank shall provide the necessary information and documents for the training of the Client's employees that are going to operate the POS terminal device.
- 1.4. When a POS terminal device belongs to the Bank, it shall be provided at the commercial outlet/premises of the Client in the following terms:
- 1) No later than the 5th working day as of the day of signing the POS Terminal Device Agreement, for the territory of Sofia city;
 - 2) No later than the 8th working day as of the day of signing the POS Terminal Device Agreement, for all other towns on the territory of the Republic of Bulgaria.
- 1.5. The Bank provides the Client with GPRS card (for data transfer) if the Client would like one. The Client shall pay a fee for the GPRS card provided by the Bank pursuant to the Tariff of the Bank for the fees and commissions applicable to legal entities and sole traders.
- 1.6. The Bank shall provide service maintenance of the terminal device when it is its property.
- 1.7. The Bank shall transfer onto an account of the Client the amounts of the payments made with payment and prepaid cards pursuant to the terms and conditions and procedure stipulated in the POS Terminal Device Agreement, these General Terms and Conditions and the Instructions on the acceptance of payments with payment and prepaid cards at a real POS terminal device.
- 1.8. The Bank shall provide the Client, upon their request, with reports/information about accepted payments on the POS terminal device serviced by the Bank and located in a commercial outlet/premises of the Client.
- 1.9. The Bank shall update the Instructions on the acceptance of payments with payment and prepaid cards at a real POS terminal device in a timely manner in accordance with the amendments to the rules and the technology for servicing on the part of ICOs as well as with any changes in the Bulgarian legislation concerning the subject matter of the POS Terminal Device Agreement and these GTC, notifying the Client of it in writing.
- 1.10. The Bank shall ensure that its Authorization Center works 24 hours, 7 days a week.
- 1.11. The Bank shall notify the Client of:
- 1) the receipt of any disputed payment, the reasons for the dispute and follow-up on the case;
 - 2) any transaction at its merchant outlets which is considered misuse by the payment/prepaid card issuing bank;
 - 3) any report of violations in processing payment/prepaid card transactions.
- 1.12. The Bank shall fulfill its obligations properly and in a timely manner as specified in the POS Terminal Device Agreement and these General Terms and Conditions.

2. Obligations of the Client

- 2.1. The Client cannot request and/or use payment/prepaid cards for purposes other than those specified in the POS Terminal Device Agreement and these General Terms and Conditions.
- 2.2. The Client shall notify the Bank of the need for instructions to be given to new employees as well as cooperate with the Bank for the organization of regular trainings of the employees of the merchant outlet.
- 2.3. The Client shall provide and acquaint its employees servicing the POS terminal device with the Instructions on the acceptance of payments with payment and prepaid cards.
- 2.4. The Client shall assume responsibility for any errors in the acceptance of payment and prepaid card payments as a result of negligence or carelessness by persons authorized by the Client within the meaning of paragraph 2.3 to work with the terminal device or acceptance of payment and prepaid card payments by staff members who have not been trained by the Bank within the meaning of paragraph 2.2.
- 2.5. The Client shall indicate at its merchant outlets, in an unequivocal manner, the types of payment/prepaid cards with which payments can be made.
- 2.6. The Client shall submit to the Bank the slips from the POS terminal device or other documents evidencing payments made with the cards specified in item 1.13 of section I, at the request of the Bank and within the period indicated by it in relation to receipt of disputed payments and/or in case of doubts about payments made with stolen, counterfeit or unauthorized payment/prepaid cards or about payments made without the knowledge and/or consent of the authorized card user.
- 2.7. The Client shall reimburse the amounts paid by the user on the card account if the ordered goods and/or services have not been provided or if the provided goods/services are of bad quality or are not in

accordance with General Terms and Conditions for the purchase.

2.8. The Client shall fully or partially reimburse amounts to customers in the event of previous purchases of goods/services which the customers have paid with cards, only by means of a credit transaction on the same cards with which the goods/services were initially paid.

2.9. The Client shall accept payments with payment cards when the authorized user and the card are physically present. When the authorized user presents a card, the Client shall:

- 1) Make sure that the card is provided by its authorized user in person and the latter may be required to show an identity document, if the Client carries out some particular types of commercial activity such as financial services, cash exchange, betting, tourist services, rent-a-car, hotel services.
- 2) Receive authorization in real time by the payment/prepaid card issuing bank for each transaction and shall not divide the transaction amount in order to carry out the transaction without authorization;
- 3) Shall not divide the amount of a purchase into portions in order to avoid restrictions imposed by the Bank or the payment/prepaid card issuing Bank;
- 4) Comply strictly with the procedure as described in the Instructions on the acceptance of payments with payment and prepaid cards;
- 5) Put in all efforts to withhold unlawfully used cards and take the necessary measures in this regard in accordance with the Instructions on the acceptance of payments with payment and prepaid cards.

2.10. The Client cannot disclose to third parties the names and payment/prepaid card numbers of the authorized user of an electronic payment instrument which have come to its knowledge in relation to the implementation of the POS Terminal Device Agreement and these General Terms and Conditions.

2.11. The Client cannot change the data on the receipts/forms of processed payments with payment/prepaid cards after the authorized user of the payment/prepaid card has received a copy of the receipt/the form.

2.12. The Client shall duly notify the Bank no later than 7 days before:

- 1) Change of data about the Client entered in the Commercial Register with the Registry Agency or BULSTAT Register;
- 2) Change in the ownership of the capital or the Client's representative;
- 3) Change in the location of the merchant outlet/premises.

In the cases under paragraph 2.12, subsection 12 the Bank has the right at its own discretion to terminate the POS Terminal Device Agreement by giving two months' prior notice.

2.13. The Client cannot accept payments with payment/prepaid cards in favour of other merchants.

2.14. The Client cannot execute payments at its own merchant outlets with cards issued in the Client's name.

2.15. The Client cannot accept payments with payment/prepaid cards for goods and/or services other than those defined as per the subject matter of the POS Terminal Device Agreement.

2.16. When the Client accepts payments with debit/prepaid and credit cards issued by banks with a seat within the European Economic Area, they shall not charge additional fees and commissions to the price of the goods/services at the moment of purchase irrespective of the selected method of payment – by card

2.17. The Client can withhold a payment card in case of:

- 1) A non-valid payment card;
- 2) A notification displayed on the POS terminal device about a lost or stolen payment card;
- 3) Use of the payment card by an unauthorized person;
- 4) Order by the card issuer;
- 5) Order of the Bank.

2.18. The Client shall cooperate on the installation of a POS terminal device and cannot change its location without the knowledge and the consent of the Bank.

2.19. The Client shall comply with the technical requirements for the operation of the real POS terminal device and inform the Bank immediately of any technical malfunctions.

2.20. The Client shall take due care of the POS terminal device and after the termination of the POS Terminal Device Agreement, when the device is property of the Bank, it shall return it to the Bank in a good condition, taking into account the usual depreciation for the operation period.

2.21. All costs for POS terminal device repair incurred as a result of incorrect operation or negligent maintenance or in case of theft shall be borne by the Client. When the terminal device is property of the Bank, the amount of damages is determined by the Bank according to the value of the equipment reported as fixed tangible assets of the Bank, taking into account the depreciation rate for the period of operation.

- 2.22. Communication costs related to the operation of the electronic POS terminal device shall be borne by the Client.
- 2.23. The Client shall provide consumables on its own in a timely manner as well as all conditions necessary for the usual uninterrupted functioning of the POS terminal device devices.
- 2.24. At the request of the Bank the Client shall provide any information directly or indirectly related to payment and payment card payments.
- 2.25. If the Client fails to comply with any of the above mentioned obligations, it shall take the risk and the responsibility for the payment transactions and the Bank is relieved of the responsibility to credit the Client's account with the unauthorized or unduly conducted transaction.
- 2.26. The Client shall keep the receipts of the accepted payments made with payment cards specified in paragraph 1.13 for a period of 13 (thirteen) months as of the date of the payment.

Section III. SPECIAL TERMS AND CONDITIONS FOR THE ACCEPTANCE OF CARD- NOT PRESENT PAYMENTS AT A REAL POS TERMINAL DEVICE (KEY ENTRY)

1. General provisions

- 1.1. This section outlines the relationship between the Bank and the Client arising out of the acceptance of card-not-present payments at a real POS terminal device by using the Key Entry functionality of a real POS terminal device.
- 1.2. The Bank may provide the Client with the opportunity to make payments in its favour by entering card data using the POS terminal device keyboard (Key Entry functionality) which have been provided to the Client by the authorized user and for which it has received the user's written consent in connection with specific sale and purchase of goods/services or payments of penalties, or additional expenses related to such purchases and sales.
- 1.3. The Client confirms to the Bank that it is aware of and accepts unconditionally to observe the rules and standards of ICOs concerning card-not-present payments with bank cards specified in paragraph 1.13 in these General Terms and Conditions and the Instructions and declares that it shall not make any card payments damaging the trademark and the reputation of ICOs, assuming full responsibility for that.
- 1.4. The Client unconditionally and irrevocably shall take all risks related to the acceptance of card-not-present payments at its own expense as well as any losses related thereto, including those imposed on the Bank as a result of the acceptance of such payments by the Client which include but are not limited to sanctions by ICOs and other competent institutions.
- 1.5. The Bank is not a party to the legal relations between the Client and its customers concerning the Client's activities for sale of goods and services, their quality and/or delivered quantity, the terms for delivery/completion, the conditions for the reimbursement of amounts to customers, guarantee terms, conditions for payment of indemnities and additions to the initially agreed and paid price, etc.

2. Rights and obligations of the Bank

- 2.1. The Bank approves the Client for the service and shall activate real POS terminal device Key Entry functionality.
- 2.2. The Bank shall provide the Client with the applicable Instructions on the acceptance of card-not present payments which is an Appendix to the Instructions on the acceptance of payments with payment and prepaid cards at a real POS terminal device so that the Client may become familiar with and observe them.
- 2.3. The Bank has the right to block on the Client's account the amounts of card-not-present payments, duly booked on that account if the Bank receives claims from card issuing banks with which such payments have been made according to which those payments were groundless or not due and payable, fully or partially, pursuant to the terms and conditions of the purchase/sale or the provision of the service by the Client to its customer, or the Client's customer has not given his/her consent for these to be paid with his/her card.
- 2.4. The Bank has the right to block on the Client's account the amounts of claims received from card issuing banks concerning reimbursements which have not been received by the authorized card users, fully or partially, in connection with previous card payments at the Client's commercial outlet, due and payable in accordance with what has been agreed between the Client and the buyer or in accordance with a commitment undertaken by the Client.
- 2.5. The Bank has the right to keep the amounts mentioned in the preceding paragraphs 2.3 and 2.4 blocked on the account of the Client until claim settlement but no longer than 24 months from the Bank receiving the claims.

2.6. The Bank has the right to block, temporarily until clarification of the circumstances or definitively and finally, the acceptance of card-not-present payments at the real POS terminal device provided to the Client by notifying the latter in writing of its decision, of the period of such blocking and of the reasons resulting in such measure, in the following cases:

- 1) In case unlawful payments have been reported;
- 2) In case of an on-going internal bank investigation concerning the lawfulness of an accepted payment;
- 3) In case of claims showing faults in the observance of the terms and conditions of the sale/purchase or the provision of the service, etc. agreed with the buyers;
- 4) In case of claims showing unjustified payment without the customer having been informed about that and without his/her prior written consent for any penalties, additional charges, etc. on his/her card;
- 5) In case of claims showing the Client's failure to fulfill commitments for timely reimbursement of amounts regarding previous card payments;
- 6) In case of any doubt or reports on any unlawful use and/or provision to third parties, excluding the Bank, of card information received when this type of payment is made as well as personal information about clients, protected by Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).
- 7) In each case of non-compliance with the requirements of the POS Terminal Device Agreement, these General Terms and Conditions and the Instructions thereto;
- 8) In case it is reported by ICOs that the levels of fraud or disputed payments at the outlets of the Client, as reported by card issuing banks, go beyond the standard levels determined by card organizations considering the turnover and number of transactions of that Client.

2.7. The Bank shall duly inform the Client of any actions taken against the latter as per the preceding paragraphs 2.3, 2.4, 2.5 and 2.6, as well as of the settlement of any claims for the release of blocked amounts or for withholding those amounts from the Client's account as well as of the release of the Key Entry functionality or its permanent blocking.

3. Rights and Obligations of the Client

3.1. The Client has the right to make in its own favour card-not-present payments only if it has the preliminary, explicit and unconditional consent of the authorized user in line with the General Terms and Conditions applicable to the goods and/or services provided by the Client.

3.2. The Client exercises its right under paragraph 3.1. exclusively at its own risk and responsibility, taking at its own expense all losses related to the card-not-present payments made in its favour, including those imposed on the Bank as a result of the acceptance of such payments, including, among others, sanctions from ICOs and other competent institutions.

3.3. The Client shall draw up its own template for making card-not-present payments, applicable to the specific goods/services that are to be paid in this manner. The template shall be sent to the authorized user by mail/fax/e-mail so that the latter can fill in all mandatory fields and sign it.

3.4. The card-not-present payment template shall contain mandatory information about the specific subject of activity of the Client, the offered goods/services, the organizational specificities of the activity of the Client and its customer policy and shall comply with such payment requirements, as specified in the Appendices to the Instructions on the acceptance of payments with payment and prepaid cards which have been provided to it by the Bank.

3.5. Before initiating a transaction for receiving any card-not-present payment, the Client shall obtain the template signed by the authorized user with all details duly filled in. The lack of such template duly filled in by the authorized user or the lack of the authorized user's signature on it renders each debiting of a card with such transactions illegal and shall absolutely be at the risk and responsibility of the Client.

3.6. The Client shall observe strictly the requirements for the sale/service laid down in the applicable Appendices to the Instruction on the Acceptance of payments with payment and prepaid cards related to the particular type of activity of the Client – sale of goods/services through a written order; card-guaranteed hotel bookings; advance payment hotel bookings; card-guaranteed car rental bookings.

3.7. The Client has the right to collect penalties for violation of the terms and conditions of the booking by the customer or additional expenses/adjustments in connection with hotel accommodation or car rental only if the customers have agreed in advance in writing that they owe these amounts and only with regard to the cards whose numbers they have provided for meeting these liabilities. This right of the Client is valid only in case of hotel and car rental services.

3.8. The Client has the right to collect additional expenses/adjustments from the cards of its customers

within a period no longer than 90 days from the date of payment of the hotel/car rental service.

3.9. The Client has the right to collect additional expenses/adjustments from the cards of its customers only for the following cases:

- Hotel accommodation expenses;
- Food and drink expenses;
- Taxes;
- Fuel for the rented vehicle;
- Insurances;
- Damages to the rented vehicle;
- Fines/official statements for improper parking and violations of road traffic rules.

3.10. Obligations of the Client in connection with the deduction of additional amounts (Delayed or Amended charges) in a card-not-present environment after the customer has checked out of the place of accommodation/has returned the rented vehicle:

3.10.1. Hotels:

3.10.1.1. The Client shall inform the authorized user upon his/her registration to use the hotel services that all expenses related to his/her stay that are not invoiced and paid upon check-out from the hotel will subsequently be deducted from his/her card.

3.10.1.2. The Client shall obtain the authorized user's written consent for the deduction of additional amounts before making payments of such amounts in its own favour through a card-not-present transaction.

3.10.1.3. The Client shall issue and send an invoice to the authorized user for the additional expenses/adjustments charged and deducted from his/her card along with a copy of the POS receipt for the transaction.

3.10.1.4. The Client shall assume full responsibility for transactions disputed by the authorized users in relation to the deduction of additional expenses/adjustments from their cards.

3.10.2. Rent-a-car companies:

3.10.2.1. The Client shall include the clauses for deduction of additional expenses/adjustments in its car rental contracts.

3.10.2.2. The Client shall obtain the authorized user's written consent for the deduction of the expenses under paragraph 3.9 through the signature of the authorized user on the car rental contract on each page where the deduction of additional expenses/adjustments is specified/mentioned;

3.10.2.3. The Client shall obtain the authorized user's written consent for the deduction of additional expenses/adjustments through the signature of the latter on the document drawn up upon the return of the vehicle to the company after use of the car rental services. In this case, the authorized user shall append his/her signature near the description of the due additional amounts which will be deducted from his/her card in the future.

3.10.2.4. Prior to the deduction of the additional expenses/adjustments the Client shall have obtained the following relevant documents:

3.10.2.4.1. Expenses related to the fines/official statements for improper parking or other violations of road traffic rules – a ticket/an official statement issued by an authorized state body;

3.10.2.4.2. Expenses related to the identified damages to the rented vehicle:

- A valid document certifying the damage and proving the customer's responsibility for the damage – in accordance with the legislation effective in the Republic of Bulgaria;
- Evaluation of the damage by a licensed appraiser;
- Insurance policy describing the responsibility for damages and the insurance coverage for such cases.

3.10.2.5. The Client shall inform the authorized card user in writing with acknowledgment of receipt of the latter of the notification about the forthcoming deduction of additional expenses/adjustments within 10 days from the date of returning the vehicle in accordance with the duly prepared documents upon return of the car. The notification shall contain at least the following details:

- Description of the damage;
- Evaluation of the damage;
- The currency in which the additional costs related to the damage will be deducted from the card.

3.10.2.6. The Client shall not pay the additional expenses using the customer's card for a period of 20 days after the date of receipt of the notification under paragraph 3.10.2.5, as indicated in the acknowledgment of receipt.

3.10.2.7. The Client shall put in all efforts to resolve the disputes with the authorized user with regard to the additional expenses/adjustments through a procedure not involving the bank.

3.10.2.8. The Client shall assume full responsibility for transactions disputed by the authorized users in connection with the deduction of additional expenses/adjustments from their cards intended to cover damages.

Section IV. SPECIAL TERMS AND CONDITIONS FOR THE Cash back SERVICE AT A REAL POS TERMINAL DEVICE

1. Rights and obligations of the Bank

1.1. The Bank shall provide the Client with the opportunity to offer to its customers – authorized user of a debit/credit user payment card of a brand and issuer, for which the Bank provides such option – the Cash back service through the POS terminal device/s installed in its merchant outlets and for this purpose it shall install at its own expense an additional application on the respective POS terminal device/s, which renders the provision of the service technically feasible.

1.2. The Bank shall not deduct a fee from the cash paid to the authorized user of the card by the Client as part of the Cash back service.

1.3. The Bank shall provide the Client, and the Client hereby accepts, distinctive signs showing clearly that the merchant outlet offers the Cash back service.

1.4. Before executing the Client's order for reimbursement of an amount to a card in connection with paragraph 2.8. below, the Bank shall check whether a claim for the same payment has already been received from the card-issuing bank and satisfied through a bank transfer.

2. Rights and Obligations of the Client

2.1. The Client who has accepted the service is obliged to provide the authorized users of a debit/credit user payment card of a brand and issuer, for which the Bank provides such option – upon the payment of the purchase of goods/services and the Cash back service at the POS terminal devices installed in its merchant outlets provided that the amount paid in cash cannot exceed the amount determined by ICOs per transaction.

2.2. The amount of each Cash back transaction is the sum total of the price of the goods/services purchased at the outlet of the Client and the amount of the cash paid by the Client to the authorized user of the card at the time of the sale. The amounts of the two parts of the transaction are shown on separate lines on the receipt printed by the POS terminal device. The authorized user of the card enters the PIN code only once in case of cards with a chip, or signs the POS receipt in case of a payment with a card without a chip, providing his/her absolute and irrevocable order for simultaneous payment for the goods/services and for receiving the cash amount at the cash desk at the Client's outlet.

2.3. The Client shall not be allowed to deny the Cash back service, regardless of the amount of the goods/services paid with the card of the authorized user.

2.4. In case of reimbursement of amounts to customers with regard to previous card payments under the conditions of the Cash back service, the Client has the right to reimburse through the POS terminal device only the entire amount of the payment, including the amount of the purchased goods/services and the paid cash (Cash back), only through a credit operation on the same cards with which the goods/services were paid initially.

2.5. The Client has the right to reimburse, using the POS terminal device, the amounts of previous card payments to customers under the conditions of the Cash back service only in the following cases:

- A card payment executed under the conditions of the Cash back service, which was performed successfully but for technical reasons the Client did not know that and the goods were paid by the customer in another way (cash, with another card, etc.);
- A card payment executed under the conditions of the Cash back service, which was performed successfully but for technical reasons the Client did not know that and the goods were not received or paid by the customer in any other way;
- The Client has found that a particular payment was made twice using the same card of the customer for one Cash back service.

2.6. The Client shall have the right to reimburse the amounts under the conditions of paragraph 2.5 only in the presence of the authorized user of the card and the card in the merchant outlet.

2.7. In the case of a satisfied claim received by the Client in the outlets where it performs its business activity, concerning the quality and/or the quantity of the delivered goods paid under the conditions of the Cash back service, which requires reimbursement of that part of the payment which corresponds to the cost of these goods, the Client shall submit to the Bank a written request for refund of the amount as per template pursuant to the Instructions on the acceptance of payments with bank cards at a real POS terminal device, submitting the order form together with the documents related to the satisfied claim.

2.8. The Client explicitly represents and warrants to the Bank that it is aware of and accepts unconditionally the applicable rules and standards of the ICOs for the Cash back service.

Section V. SPECIAL TERMS AND CONDITIONS FOR THE CONTACTLESS PAYMENTS SERVICE AT A REAL POS TERMINAL DEVICE

1. Rights and obligations of the Bank

1.1. The Bank shall provide the Client with the opportunity to offer the Contactless Payments service to its customers through installation of contactless POS terminal device(s) and/or contactless reader/PIN pad device(s) in its merchant outlets/premises, and for this purpose will install, at its own expense, the relevant contactless POS terminal device(s) and/or contactless reader/PIN pad device(s). The technical aspects of the service are dealt with by the Bank after the approval of the Client for the service.

1.2. The Bank shall provide the Client with a sticker with distinctive signs, showing clearly that the Contactless Payments service is available at the merchant outlet/premises of the Client.

1.3. The Bank shall provide the Client with the applicable Instructions on the acceptance of payments with payment and prepaid cards at a real POS terminal device/ Instructions on installation and acceptance of payments with payment and prepaid Visa and MasterCard cards via a software terminal POS device (ePOS), so that the Client may become familiar with them and observe them.

2. Rights and Obligations of the Client

2.1. The Client undertakes to provide to the authorized users of cards with the logo of payWave (Visa), PayPass (Mastercard, Maestro), QuickPass (UnionPay) and other card brands approved by the Bank for contactless payment, as well as to authorized users with a mobile device with a Near Field Communication (NFC) functionality, on which there is a digital wallet installed with an added/digitized bank card, the possibility to purchase goods/services by a contactless payment on the contactless terminal(s) and/or contactless readers/PIN pad devices installed at its merchant outlet(s)/premises. The authorized user of the card does not have to enter a PIN code when using the service "Contactless payments" up to a specified country limit set by ICO and the Bank.

2.2. The Client shall place the distinctive signs of the 'Contactless Payments' service, provided to it by the Bank, in the outlet(s)/premises where it carries out its business activity.

2.3. The Client represents and warrants to the Bank that it is aware of and accepts the applicable rules and standards of the International Card Organizations for the Contactless Payments service which are reflected in these General Terms and Conditions.

2.4. The Client shall become familiar with and observe the Instructions on the acceptance of payments with payment and prepaid cards at a real POS terminal device / Instructions on installation and acceptance of payments with payment and prepaid Visa and MasterCard cards via a software terminal POS device (ePOS).

Section VI. SPECIAL TERMS AND CONDITIONS FOR A VIRTUAL POS TERMINAL DEVICE

1. General provisions

The Bank provides a virtual terminal device with the following options for payment of purchases:

1.1. For Clients with an existing online store, after selecting the relevant product/service, the authorized user is directed to the payment server of BORICA AD through the shopping cart for payment of the purchase;

1.2. For Clients with/without an existing online store, after selecting the relevant product/service, the authorized user receives a secure URL link (Payment/Pay by link) or scans a generated QR code, which directs to the payment server of BORICA AD, while the expiry of the link or QR code is determined by the Bank.

2. Obligations of the Bank

2.1. In view of carrying out of the Client's business activity, the Bank shall provide the Client with the possibility to accept payments with Visa, Mastercard, Maestro, Diners Club International, Bcard payment cards and other cards approved by the Bank at a virtual POS terminal device without the physical presence of the payment/prepaid card and with the possibility to be included in the authentication schemes Visa Secure, Mastercard Identity Check, 3D Secure ProtectBuy, the secure code of BORICA

AD or the authentication schemes of other card brands approved by the Bank for payments on the Internet.

2.2. The Bank gives the Client the right to use the commercial symbols of the brands of cards, which are approved for payment at the POS terminals provided by the Bank to the Client.

2.3. The following additional services/functionalities can be requested and used on a virtual POS terminal device:

- 1) Tokenization (card on file);
- 2) Recurring payments;
- 3) Acceptance of payments via Apple Pay/Google Pay virtual wallets;
- 4) Credit operation for cash disbursement;
- 5) Deferred collection of a previously blocked amount.

2.4. The Bank shall provide the Client with the technical documentation of BORICA AD on the development of a module for online payments with payment and prepaid cards in the authentication scheme of ICO - Visa Secure, Mastercard Identity Check, 3D Secure ProtectBuy and secure code of BORICA AD, which are to allow secure communication with the acceptance and payment server of BORICA AD within 3 (three) business days following the signing of the POS Terminal Device Agreement. Upon the request of additional services/functionalities in accordance with paragraph 2.3, the Bank shall provide additional documentation.

2.5. The Bank shall provide the Client with Instructions on acceptance of payments with cards on the Internet, containing the applicable rules and standards of ICO.

2.6. The Bank shall timely update the Instructions on acceptance of payments with payment and prepaid cards on the Internet in accordance with the amendment of the rules, requirements and technology of servicing by Visa and Mastercard, and BORICA AD, and in case of legislative and regulatory changes in the country and/or the European Union, concerning the subject matter of the POS Terminal Device Agreement, and shall inform the Client in writing.

2.7. The Bank shall promptly inform the Client in the event of change by the ICO or in case of legislative, or respectively regulatory changes imposing changes in the technical, security and other requirements, which entail changes in the information published on the Client's website. The Bank shall inform the Client in writing of the occurred changes within a period of two months prior to their taking effect.

2.8. The Bank shall notify the Client of:

- 1) Each received disputed payment, accepted under the procedure defined in the POS Terminal Device Agreement and the present General Terms and Conditions, the reasons for disputing, as well as the subsequent development of the case;
- 2) Each transaction in any of its outlets which is processed as per the procedure in the POS Terminal Device Agreement and these General Terms and Conditions and which is declared by the Bank issuing the payment/prepaid card with which the transaction was carried out to be a case of misuse;
- 3) Each report of violations in the processing of transactions with payment/prepaid cards pursuant to the terms and conditions and procedure stipulated in the POS Terminal Device Agreement, these General Terms and Conditions and the Instructions on the acceptance of payments with payment and prepaid cards on the Internet;
- 4) Each report of violations in the processing of transactions pursuant to the provisions of the POS Terminal Device Agreement, these General Terms and Conditions and the Instructions through the virtual terminal provided to the Client by competent state and/or international institutions and/or the ICOs.

2.9. The Bank shall fulfil its obligations in a timely and correct manner as specified in these General Terms and Conditions for POS terminal device.

3. Obligations of the Client

3.1. The Client shall provide reliable controls for acceptance of payments through the virtual POS terminal device on the Internet so as not to allow transactions that do not correspond to the purposes of the POS Terminal Device Agreement and these General Terms and Conditions, do not fall within the scope of its field of application and/or such that are derogatory to the prestige and reputation of the Bank, BORICA AD, Visa, Mastercard, Maestro, Diners Club International or other brands of payment and prepaid cards accepted by the Bank.

3.2. The Client shall offer to its customers payment with payment cards Visa, Mastercard, Maestro, Diners Club International, Bcard, it shall display the trade signs of Visa, Mastercard, Maestro, Diners Club International and Bcard on a visible place on its website and strictly adhere to the applicable rules and standards of ICO.

- 3.3. The Client cannot request and/or use the number or any other data of the payment/prepaid cards for purposes other than those specified in the POS Terminal Device Agreement and these General Terms and Conditions.
- 3.4. The Client shall:
- 1) Use the signs Visa Secure, Mastercard Identity Check, 3D Secure ProtectBuy, BORICA AD secure code only if the Client's website, used for electronic commerce, is included in the 3-D Secure scheme and meets the specific predefined technical and security requirements which the Bank provides to the Client.
 - 2) Not use the trade signs of Visa, Mastercard, Maestro, Diners Club International и Bcard in a way that may be associated with a guarantee for the quality/quantity of the offered goods and services.
 - 3) Not use the trade signs of Visa, Mastercard, Maestro, Diners Club International and Bcard in its electronic or other forms, or advertising materials.
- 3.5. The Client shall be obliged not to store or distribute the numbers of payment/prepaid cards and CVV2/CVC2 information, of which it has become aware as a result of the performed activity subject of the POS Terminal Device Agreement. In case of any doubts about unauthorized access to information stored by the Clients, regarding numbers of cards and/or other card information, the latter shall inform the Bank immediately.
- 3.6. The Client shall make the necessary adjustments in the software of its website for making payments with payment/prepaid cards through the Internet in the scheme for authentication of ICOs Visa Secure, Mastercard Identity Check, 3D Secure ProtectBuy and secure code of BORICA AD, that enable secure communication with the acceptance and payment server of BORICA AD.
- 3.7. The Client shall complete the technical development specified in the preceding paragraph 2.6 within 6 (six) months as of the sending of the technical documentation of BORICA AD by the Bank to the Client and shall inform the Bank that it is ready to carry out test transactions before commissioning of the virtual POS terminal device for real card payments.
- 3.8. All expenses for making the necessary adjustments in the software of the Client's website for payments with payment/prepaid cards through the Internet in the authentication scheme Visa Secure, Mastercard Identity Check, 3D Secure ProtectBuy, BORICA AD secure code that enable secure communication with the acceptance and payment server of BORICA AD, shall be borne entirely by the Client.
- 3.9. The Client shall keep at a safe place, which excludes any possibility for unauthorized access, the private keys and certificates signed by BORICA AD, as well as the certificate of BORICA AD. In case of any doubts about unauthorized access to the above information, the Client shall inform the Bank and BORICA AD, immediately after becoming aware of the incident.
- 3.10. At the request of the Bank, the Client shall provide any necessary information directly or indirectly related to processed payments with payment/prepaid cards at the virtual POS terminal device provided to it.
- 3.11. The Client shall indicate unambiguously on its website what kind of payment/prepaid cards are accepted for payments, as well as the security level of the accepted payments with payment/prepaid cards.
- 3.12. Upon the acceptance of payments via Apple Pay/Google Pay virtual wallets, the client is obliged to comply with the requirements of the respective wallet platform for visualization and placement on its website and to assume the responsibility for all consequences arising from its failure to comply.
- 3.13. The Client shall provide its customers with access to the following information via its website:
- 1) Company of the Client, accepting payments with payment/prepaid cards through the website;
 - 2) BULSTAT/UIC and/or registration under Value Added Tax Act of the person under item 1, if such is available;
 - 3) License, registration regime, membership in an organization if the Client's business activity is subject to licensing and/or registration regime;
 - 4) Commercial name under which the Client carries out the business activity, if different from its company;
 - 5) Registered seat and management address of the Client as well as mailing address of the Client, if different from its management address;
 - 6) Valid means of communication with the authorized user of the card with regard to customer inquiries – telephone number, e-mail address, etc.
- 3.14. The Client shall provide on its website in a manner that is clear and accessible for its customers its Confidentiality, Personal Data Protection and Commercial Secrecy Policy, with regard to information of which it has become aware as a result of transactions carried out via the virtual POS terminal device as well as receive the explicit consent of the authorized user of the card if it intends to provide such

information to third parties and/or to use their personal data for other purposes – marketing research etc.

3.15. The Client is directly responsible for all payments accepted on its website and made with invalid, lost, stolen, etc. card information and/or presented by persons that are not the authorized users of the cards or are not authorized by them to make the respective payment. Such payments shall be considered to have been made entirely for the account, risk and responsibility of the Client. The Client shall ensure that the Bank will not be involved in its relations with the authorized users of the cards, incl. in any disputes in relation to and/or on occasion of transactions unauthorized by them. In the case of claims and disputes unsettled by the Client in due time, the Client shall indemnify the Bank fully for all expenses incurred by the latter in relation to the settlement of claims or disputes brought by the authorized users of cards to the Bank.

3.16. The Client shall store the information about the order made by the authorized user of the card in accordance with the Instructions on acceptance of payments with payment and prepaid cards on the Internet for at least 13 (thirteen) months as of the date of the transaction.

3.17. The Client shall indicate clearly and unambiguously the type, the main characteristics and the unit price of the goods and/or services offered by it through electronic commerce, the payments for which are allowed as per the subject matter of the POS Terminal Device Agreement. It shall also inform the authorized users of cards in advance if those prices include any taxes, fees, postal and transport charges for delivery and other expenses, which form the end price of the order.

3.18. The Client shall publish on its website comprehensive General Terms and Conditions of dealing with and servicing customers, in line with the Instructions on acceptance of payments with payment and prepaid cards on the Internet, which clearly and unambiguously set out its policy for cancellation of an order made by an authorized user of a card for services/goods, the responsibilities of the parties in case of non-compliance with the terms and conditions for payment of the order, as well as the amount of the penalty charges due by the parties if they fail to fulfill their obligations and the order of collection of such penalty charges.

3.19. The Client shall receive in an explicit and unconditional way the consent of the authorized user of the card that the latter is acquainted with and accepts the Client's General Terms and Conditions of dealing with and servicing customers and payment for an order (for instance, by means of a button or a website link for consent confirmation) prior to and as a prerequisite for acceptance for processing of the authorized user's payment for the order.

3.20. The Client cannot accept payments with payment/prepaid cards for goods and/or services other than those defined as per the subject matter of the POS Terminal Device Agreement.

3.21. The Client does not have the right to offer or provide goods and services that are prohibited by the law and/or the ICO rules, including such whose production and/or distribution threatens or damages the personality, the rights of citizens, the property, the constitutionally established legal order in the Republic of Bulgaria or other rights and interests protected by the law. In performing its business activity, the Client shall not allow the offering and/or providing, directly or indirectly via the virtual POS terminal device, provided to it, and/or its website, of the following goods and services, which are derogatory to the reputation of the Bank, BORICA AD, Visa, Mastercard, Maestro, Diners Club International, or other card brands approved by the Bank:

- 1) Child pornography;
- 2) Depiction of crude violence and perversion;
- 3) Goods and services in violation of copyright, counterfeit goods and imitations of famous trademarks;
- 4) Trade in medicines with prescription;
- 5) Activities which are subject to licensing or registration before receiving the relevant licenses/registrations from the state bodies determined by the law, the international card organizations or other competent institutions;
- 6) Goods and services additionally determined by the Bank.

3.22. In performing its business activities of offering and sale of goods/services via the provided virtual POS terminal device, the Client shall not to allow any fictitious purchases, money laundering and terrorism financing, fraud or attempted fraud against the Bank in any way whatsoever. In the cases listed above the risk and responsibility shall be borne directly and to the full amount by the Client.

3.23. The Client shall reimburse the amounts paid by the authorized user of the card if the ordered goods and/or services have not been provided or if the provided goods/services are of bad quality or do not comply with General Terms and Conditions for the purchase.

3.24. The Client shall reimburse, partially or fully, amounts to authorized user of the card paid in relation to and/or on occasion of previous purchase/s of goods/services offered by the Client, which the authorized user of the card paid with card, as well as when such reimbursement of amounts is provided for in the General Terms and Conditions of the Client, published on its website. Such reimbursement

shall be made only through a credit operation on the same card which was used for the original payment of the goods/services. For that purpose the Client shall send a structured message to the Bank in accordance with the Instructions on Acceptance of Payments with Payment and Prepaid Cards on the Internet or submit to the Bank a written request for reimbursement of the amount as per a template.

3.25. The Client shall not to repay any previous liabilities of the authorized user of the card through payments with a payment card, but only such that are due for goods and services present at the time of the transaction.

3.26. The Client shall inform the Bank not later than 7 (seven) days before the effective date of:

- 1) Changes of data about the Client entered in the Commercial Register with the Registry Agency or BULSTAT Register;
- 2) Change in the ownership of the capital or the Client's representative;
- 3) Change in the registered subject of activity of the Client, the manner of carrying out its business activity, as well as in case of change or adding new products to the product range and expanding the scope of the goods/services offered by the Client on its website, outside the scope of the agreement;
- 4) Change in the electronic address of its website – website name.

3.27. The Client shall not accept payments with payment/prepaid cards in favor of other merchants via the provided virtual POS terminal device and/or its website.

3.28. The Client shall not execute payments through its own website with payment cards issued in the Client's name.

3.29. The Client shall not charge any additional fees and commissions to the prices of the goods at the time of purchase depending on the way of payment.

3.30. If the Client fails to comply with any of the above-mentioned obligations, it shall take the risk and the responsibility for the payment transactions and the Bank is relieved of the responsibility to credit the Client's account with the unauthorized or unduly conducted transaction.

3.31. The Client is obliged to observe the rules of the ICOs, BORICA AD and other issuers of brands of cards approved by the Bank.

Section VIA. FEES AND COMMISSIONS

1. The Client shall pay the Bank fees and commissions for servicing the payments made by payment and prepaid cards on a POS terminal device as per the POS terminal device agreement, these General Terms and Conditions and the Tariff for the fees and commissions of UniCredit Bulbank AD. applicable to legal entities and sole traders.

2. The amount of the interchange fee for card transactions made by payment or prepaid cards with brands approved by the Bank, issued by payment service providers with registered office in the European Union and the European Economic Area, is up to 0.2% for consumer debit/prepaid cards, up to 0.3% for consumer credit cards and up to 2% for corporate cards. The particular interchange fee amount is stipulated in the Tariff for the Fees and Commissions of UniCredit Bulbank AD. applicable to legal entities and sole traders.

3. The amount of the scheme fee for all types of card transactions made by payment or prepaid cards with brands approved by the Bank, issued by payment service providers with registered office in the European Union and the European Economic Area is 0.25%.

4. The Client shall owe the Bank a fee for use of a real POS terminal device, which is a property of the Bank, provided to it by the Bank, upon a generated monthly turnover in an amount lower than the one specified in the Tariff for the Fees and Commissions of UniCredit Bulbank AD applicable to legal entities and sole traders, payable for each calendar month in which the grounds for its accrual were present, unless otherwise agreed between the parties.

5. The fee for use of a real POS terminal device of the Bank with a generated monthly turnover in an amount lower than the one specified in the Bank's Tariff for the fees and commissions applicable to legal entities and sole traders shall be payable in the month after the calendar month in which the grounds for its accrual were present, unless otherwise agreed between the parties.

6. The fee under paragraph 4 shall be formed in case the total monthly amount of the booked payments with payment and prepaid cards on one real POS terminal device is below the amount specified in the Tariff for the Fees and Commissions of UniCredit Bulbank AD applicable to legal entities and sole traders.

Section VII. DISPUTE RESOLUTION

Any disputes arising as a result of the execution, interpretation or effect of these General Terms and Conditions and the POS Terminal Device Agreement shall be resolved through negotiations and in case no agreement is reached - by the competent Bulgarian court. In case the Bank does not give its opinion on the Client's claim within the term defined by the law, or if the Customer is not satisfied with the decision, the dispute may be referred for examination to the Conciliation Commission on Payment Disputes, too. Conciliation Commission on Payment Disputes with the Consumer Protection Commission is an authority for alternative resolving of domestic and cross-border disputes between payment services providers and payment services users in relation to the implementation of the Payment Services and Payment Systems Act, the regulations on its implementation, Regulation (EC) No 924/2009, Regulation (EU) No 260/2012 and of Regulation (EU) 2015/751. The reconciliation procedure starts with submission of an application to the commission. The application shall be submitted in a written form as well as via e-mail or online through the website of the Consumer Protection Commission. The requirements to the application under the preceding sentence, the terms and way for the institution and termination of the reconciliation procedure and for examination and resolving of disputes falling within the competence of the Commission as well as the maximum cash threshold of the disputes shall be defined by Rules for implementation approved by the Governor of the Bulgarian National Bank (BNB). The Rules for implementation shall be published in the State Gazette. The Conciliation Commission on Payment Disputes shall provide the payment service user with information regarding the procedure for conducting a reconciliation procedure, upon request and on a durable medium. The procedure conducted by the Commission is not an obligatory condition for filing a claim to the court. Additional information about the Conciliation Commission on Payment Disputes is available on the website of the Consumer Protection Commission as well as in Chapter ten, Section II of the Payment Services and Payment Systems Act.

Section VIII. SUPPLEMENTARY PROVISIONS

1. The Bank has the right to change its Tariff for fees and commissions for legal entities and sole traders and its Interest Bulletin for legal entities and sole traders, about which the Bank notifies the Client with a statement sent to the electronic address specified by the Client in the contract and/or other document/s submitted to the Bank, and/or made in the client's profile on the electronic banking channels of the Bank and/or by using another durable medium, no less than two months before the proposed date of enforcement of such change, by making the information about such change available on the website and at the business premises of the Bank. Changes in interest rates and exchange rates may be applied immediately and without prior notification under the previous sentence, if such changes are based on the reference interest rate or reference exchange rate. In such cases, the Bank informs the Client about the changes under the previous sentence as soon as possible, while the Client shall be informed about the changes under the procedure set out in this item. When changes in interest rates, exchange rates or fees and commissions due are more favorable to the Client, they shall be applied without prior notice.
2. The Bank has the right to amend and supplement these General Terms and Conditions by a statement sent to the mail/e-mail address specified by the Client in the contract and/or other document/s submitted to the Bank, and/or made in the Client's profile on the electronic banking channels of the Bank and/or by using another durable medium, no less than two months before the proposed date of enforcement of such amendments, by making the information about such amendments available on the website and at the business premises of the Bank.
3. The Client shall be deemed bound by the amendments to these General Terms and Conditions, respectively, the Tariff for fees and commissions for legal entities and sole traders and/or its Interest Bulletin for legal entities and sole traders, unless he/she notifies the Bank in writing that he/she does not accept them prior to the date of their entry into force. In case the Client does not agree with the proposed amendments, he/she may reject them and terminate the agreements related to these General Terms and Conditions to which these General Terms and Conditions apply, including the POS Terminal Device Agreement before the enforcement of such amendments, without owing expenses and compensation.
4. All relations between the Bank and its Clients, which are not regulated by these General Terms and Conditions or the Agreement for POS Terminal Device, are governed by the relevant provisions of the Bulgarian laws.
5. The Client has the right, upon request, to receive the General Terms and Conditions on paper or another durable medium.

These General Terms and Conditions were adopted by the Management Board of the Bank by Resolution under Minutes No. 30 dated 26.06.2013 and were last updated by Resolution of the Management Board under Minutes No. 55 dated 29.10.2025, effective from 01.01.2026. They are implicitly an inherent and

integral part of each agreement concluded by the Bank, which refers to these General Terms and Conditions, and are in their entirety deemed one document, and are applied to the extent that the specific agreement does not provide for otherwise.