

GENERAL TERMS AND CONDITIONS OF BULGARIAN AMERICAN CREDIT BANK AD

For use of Additional Authentication service for Internet Card Payments

I. Definitions.

1.1. "**Visa Secure and MasterCard ID Check**" are additional security programs of Visa International and MasterCard Worldwide card organizations to identify an Authorized User of a bank card (Cardholder) when making transactions with Internet merchants participating in the programs. Additional Authentication including Two-Factor model for Authentication, with Dynamic and Static Password or B-Trust Mobile application is a service offered by BACB to its Customers /Authorized Users/ in order to provide additional security for Internet payments.

1.2. "**Two-Factor Authentication Model**" is a combination of two components: Dynamic and Static Password for Internet payments, which must be entered by the Authorized User to confirm payment transactions with a bank card. The Dynamic Password is a single-use unique 6-digit code generated by Borica AD and provided to the Authorized User by sending a free SMS to a mobile phone number specified by the Authorized User. For each transaction performed by the Authorized User which requires Two-Factor Authentication of the Authorized User, Borica AD shall generate and send via SMS a different combination of digits, together with data on the amount of the payment transaction, part of the bank card number, merchant's name or website through which the payment transaction is performed and this combination shall be valid for 15 minutes. The Static Password is created personally by the Authorized User on the web portal provided by Borica AD bearing the logo of BACB AD and is used together with the Dynamic Password to confirm card transactions with Internet merchants participating in the Visa Secure and MasterCard ID Check programs. For each transaction performed by the Authorized User which requires Two-Factor Authentication and confirmation of payments by bank card on the Internet, the Authorized User shall enter simultaneously the Static Password created by the Authorized User and the Dynamic Password received via SMS for authorization of card transactions.

1.3. B-Trust Mobile is an application, through which the Authorized User uses the biometric authentication built into his mobile device to confirm bank card payment transactions in Internet at merchants registered for an additional level of protection with the Visa Secure and MasterCard ID Check programs. During each transaction requiring additional authentication, BORICA AD generates short message (push notification) via B-Trust Mobile app for confirmation of the card transaction, providing data on the amount of the payment transaction, part of the card number, and name of the merchant or internet site where the payment transaction is performed. After logging in, the Authorized User selects the card transaction, reviews the data for the same and authorizes the payment. B-Trust Mobile is owned by BORICA AD, and the Bank and BORICA AD at no time and in no way have access, store or process biometric data of the Client / Authorized User.

1.4. "**Merchants participating in the Visa Secure and MasterCard ID Check programmes**" are those merchants offering goods and services on the Internet, designated as participating in the Visa Secure and MasterCard ID Check programs and requiring the use of Additional authentication for Internet payments by bank payment cards.

1.5. All other terms and definitions used in these General Terms and Conditions shall have the same meaning and effect as those used in the General Terms and Conditions of BACB AD for the Provision

of Payment Services and Related Payment Instruments, the General Terms and Conditions of BACB AD for the Issuance and Use of Revolving International Credit Cards of Natural Persons and the General Terms and Conditions of BACB AD for the Issuance and Use of Revolving International Credit Cards of Legal Entities / Sole Proprietors (hereinafter collectively referred to as the “**General Terms and Conditions of BACB AD for the Issuance and Use of Bank Cards**”/), as well as in Glossary of terms and definitions used in the General Terms and Conditions of Bulgarian American Credit Bank AD.

II. General conditions.

2.1. These Terms and Conditions shall constitute an integral part of the General Terms and Conditions of BACB AD for the Provision of Payment Services and Related Payment Instruments, the General Terms of BACB AD for Issuance and Use of Revolving International Credit Cards of Natural Persons, the General Terms and Conditions of BACB AD for the Issuance and Use of Revolving International Credit Cards of Legal Entities / Sole Proprietors and shall supplement them regarding the provision of the **Additional Authentication for Internet Card Payments** service.

2.2. BACB shall ex officio register its Customers / Authorized Users of payment cards issued by the Bank and bearing the logo of Visa and MasterCard with the programs for identifying Authorized Users - Visa Secure and MasterCard ID Check for secure Internet transactions.

2.3. The terms and conditions for using the **Additional Authentication for Internet Card Payments** service shall become effective from the time of card activation and shall be valid until the termination of the service of issuing and using the bank payment card.

2.4. The Dynamic Internet Payment Password shall be generated and sent via SMS to the Authorized User by Borica AD in accordance with the procedure specified in Art.1.2.

2.5. The Static Internet Payment Password shall be created personally by the Authorized User on the web portal bearing the BACB logo, after receiving an SMS from Borica AD containing a temporary password for logging in or in another way of receipt agreed between the Authorized User and the Bank.

2.6. By signing the relevant request for bank card issuance, the Customer / Authorized User consents to Borica AD to send an SMS to the mobile phone specified by the Customer / Authorized User, containing the Dynamic Internet Payment Password and the temporary password for logging in the web portal bearing the BACB logo, where the Authorized User is identified and creates a permanent static password.

2.7. The Customer / Authorized User may use the B-Trust Mobile Application at their option and desire, by downloading the app on their mobile devices from the official online stores for Android and iOS and registered the bank payment cards in the web portal with the BACB logo for 3D authentication via B-Trust Mobile application.

2.8. BACB does not apply additional authentication for card payments on the Internet in the cases of low-value payment transactions up to BGN 20.00 or their equivalent in another currency. Upon reaching five consecutive low-value payment transactions without additional authentication, BACB requires confirmation of the next payment transaction through the authentication method selected by the Client / Authorized User.

III. Rights and obligations of the Authorized User.

3.1. The Authorized User is able to make secure Internet payments through the "Additional Authentication for Internet Payments" service at merchants participating in the Visa Secure and MasterCard ID Check programmes, by using one of the two methods: B-Trust Mobile application or

two-factor authentication by static and dynamic password, which is received by the Authorized User according to the procedure described in Art. 1.2, and the static password created personally by the Authorized User according to the procedure described in Art. 2.5.

3.2. In case of consecutive and repeated wrong entries of either of the two authentication factors, the bank card shall be blocked for this service. The Authorized User should contact the Bank's office and fill in a request to unblock the service in order to have the payment card unblocked for Internet payments.

3.3. The Authorized User shall be required to immediately notify the Bank in case of compromise or suspicion of compromising any component of the two-factor authentication model for Internet payments by bank card, requesting blocking of the card by phone using the telephone numbers specified on the BACB's corporate website www.bacb.bg/bg/kontakti or in a bank office, as provided for in the General Terms and Conditions of BACB AD for the Provision of Payment Services and Related Payment Instruments.

The authorized user undertakes to use the two-factor authentication model for Internet payments by bank card with the due care and shall bear the entire responsibility to protect the static password from becoming known to third parties, as well as the protection of the end mobile device used for the receipt of the single-use dynamic password from being physically accessed or from installing malware that may compromise the device and make it available to third parties online.

3.4. The Authorized User is required to use the Two-Factor Authentication Model for Internet payments only in person.

3.5. The Authorized User has the opportunity to make secure payments on the Internet by using the B-Trust Mobile application. The Authorized User is obliged to use the B-Trust Mobile application for Internet card payments only in person and has all obligations to protect the end mobile device from misappropriation and access by third parties.

3.6. In case of a dispute regarding the specific conditions of purchase of goods and/or services, terms of delivery, prices, warranty conditions, insurance, etc., the Authorized User is required to seek resolution by directly contacting the merchant.

3.7. If it is impossible to reach an agreement on any disputes under Art. 3.6 between the Authorized User and the merchant, the Authorized User shall have the right to file an objection with the Bank by completing a Transaction Disputes Request. The Authorized User is required to provide complete information and documents about the placed order, the general terms and conditions of the merchant effective as at the time of the order, the full correspondence with the Internet merchant regarding the order and the subsequent attempts to settle the dispute between the Authorized User and the merchant. The Bank shall consider the objections under the terms and conditions and in accordance with the procedure laid down in the relevant General Terms and Conditions of BACB AD for the Issuance and Use of Bank Cards.

3.8. In case of change of the mobile phone number indicated in the Request for the Issuance of a Bank Card, the Customer / Authorized User shall immediately notify the Bank of the new mobile phone number. Otherwise, all messages sent by the Bank / Borica AD to the last mobile phone specified by the Customer / Authorized User shall be considered duly served.

The Bank shall not be held liable if the mobile operator or the service provider fails to deliver in time or ensure the transmission of the SMS containing the Dynamic Internet Payment Password, as well as in cases where due to circumstances beyond the control of the Bank, the SMS or other messages are not sent, respectively not received in time.

IV. Responsibilities of the parties.

4.1. Any transaction/payment with an Internet Merchant confirmed by the Additional Authentication method for Internet card payments shall be considered as performed by the Authorized User, with the

knowledge, participation and/or consent of the Authorized User or as a result of gross negligence of the Authorized User with respect to the secrecy of any component of the Two-Factor Authentication Model or B-Trust Mobile app.

4.2. The Bank shall not be liable for any loss of the Authorized User caused by the unauthorized use of the card for transactions with Internet merchants following the disclosure to third parties of the components of the Additional authentication model for Internet Payments if, prior to being notified by the Authorized User, the Bank has executed in good faith and authorized the operations ordered with the card and confirmed using the Additional authentication method. The damages of such transactions shall be borne by the Authorized User.

4.3. The Bank is not a party to the purchases made by the Authorized User and does not bear any responsibility in any disputes between the Authorized User and the Merchants regarding the terms and conditions of purchase, delivery, quality and quantity, prices, warranty conditions, terms, etc.

4.4. The Bank shall not be liable for direct or indirect losses for the Authorized User, unsuccessful transactions, missed benefits, data loss, etc., resulting from the use of the Additional authentication Service for card payments in Internet.

4.5. The responsibility of the Bank and the Customer for any unauthorized or inaccurate transaction in connection with the use of a payment instrument - bank card is regulated in the relevant General Terms and Conditions of BACB AD for the Provision of Payment Services and Related Payment Instruments.

V. Final provisions

5.1. The Bank shall have the right at any time to unilaterally change these Terms and Conditions, of which it shall notify the Authorized User in advance by announcing them on the Bank's website. The amendments to these General Terms and Conditions shall be made according to the procedure stipulated in the relevant General Terms and Conditions of BACB AD for the Provision of Payment Services and Related Payment Instruments.

These General Terms and Conditions have been adopted by the Management Board (MB) of Bulgarian American Credit Bank AD on 5 July 2012, amended by a decision of the MB of BACB dated 5 April 2018, effective as from 14 April 2018, amended by a decision of the MB of BACB dated 23 August 2018, effective as from 6 September 2018, amended by a decision of the MB dated 14 May 2020, effective as from 16 June 2020, amended by a decision of the MB dated 04 February 2021, effective from 08 February 2021.