

SECTION I. SCOPE AND GENERAL PROVISIONS (amended by Resolution of the BoD of BACB of May 17, 2018, effective as of May 25, 2018)

1. These General Terms and Conditions for Payment Services Provision (hereinafter referred to as General Terms and Conditions) regulate the terms and procedure subject to which the BULGARIAN AMERICAN CREDIT BANK AD (hereinafter referred to as the Bank or BACB) shall open and keep bank accounts, including payment account for basic operations (PABO), shall transfer bank accounts of Users within the Republic of Bulgaria and shall facilitate Users in cross-border opening of payment accounts (PA) within the European Union (EU), shall provide payment services (PS) in national and foreign currency as well as the related payment instruments (PI) within the meaning of the Payment Services and Payment Systems Act (PSPSA), shall execute individual or recurring payment transactions (PT) and shall regulate the relations arising between users of PS - individuals (hereinafter referred to as "Customer" and / or "Customer-User") and legal entities (hereinafter referred to as "Customer") and the Bank in relation to the PS provided.

2. In addition to these General Terms and Conditions, to the PS and the related PI provided by the Bank shall apply also the Bank's General Terms and Conditions of Business, the General Terms and Conditions for Remote Banking, for issuing and using international debit cards and revolving international credit cards, for using the service for non-cash payments of liabilities for utilities and other services, as well as other applicable General Terms and Conditions for the respective PS. Prior to opening a bank account and/or PS provision: 1/ the Bank shall provide each Customer with the applicable General Terms and Conditions together with the Tariff and the Interest Rates Bulletin either on paper or on its web site and 2/ the Bank and the Customer shall enter into a Framework Agreement for the purposes of opening and keeping bank accounts and provision of PS (Framework Agreement). In the event that the Framework Agreement and/or other agreements and general terms and conditions between the Bank and the Customer involve terms and conditions agreed upon that vary from these General Terms and Conditions, such different terms and conditions agreed shall take precedence.

3. The Bank shall not control the subject matter and the lawfulness of the transaction, which is the subject of the provided PS, unless otherwise provided by a statutory instrument.

4. The Bank shall process and store the Customer's in compliance with Regulation (EC) 2016/679 of the European Parliament and the Council regarding the protection of natural persons in relation to the processing of personal data and regarding the free circulation of such data and for repealing of Directive 95/46/EO ("General Data Protection Regulation"). Detailed information on the data, which identifies BACB AD as administrator of personal data and the contact details for getting in touch with the officer in charge with protection of personal data, including when the processing is necessary for the purposes of protecting the legitimate interest of BACB AD; the categories of recipients of personal data, the term for which the personal data shall be stored; the rights of the subjects of data with regard to processing of personal data on the side of BACB AD, as well as information on the manner in which the same may be exercised; and any other information, which the General Data Protection Regulation may require to be provided to the Clients is contained in the Policy on Protection of Personal Data in BACB AD and in the Notification to the clients of Bulgarian-American Credit Bank AD with regard to the personal data protection (Privacy notice), which are available and published on www.bacb.bg and in the offices of BACB AD.

By executing the agreement and these General Terms the Customer represents that: a) has been notified of the protection of personal data in Bulgarian-American Credit Bank AD, including through the access provided to the Notification (Privacy notice) on www.bacb.bg and in the offices of BACB AD; b) the personal data relating to the execution of the agreement under these General Terms, the exercising of the rights and the accomplishment of the obligations under the Agreement and the General Terms and with a view of the full payment/collection of all receivables of the Bank is voluntarily provided.

SECTION II. BANK INFORMATION, TERMS AND DEFINITIONS

5. BULGARIAN AMERICAN CREDIT BANK AD is entered into the Commercial Register, kept by the Registry Agency under UIC 121246419 with a seat and registered address in Sofia 1000, Sofia Municipality, Sredetz District, 2 Slavyanska Str., e-mail address: bach@bach.bg. Internet site: www.bacb.bg. The competent supervisory body is the Bulgarian National Bank with address in Sofia 1000, 1 Knyaz Alexander I Sq.

6. The terms and definitions used in these General Terms and Conditions and in the other General Terms and Conditions of BACB are explained in the Glossary of Terms and Definitions, which shall be provided to the Customer at the Bank's Offices on paper and on a durable medium within the meaning of Art. 42 (1) and §1, item 4 of the PSPSA, as well as on the Bank's website in the *Documents / GTC and Framework Agreements* section.

SECTION III. PAYMENT SERVICES PROVIDED BY THE BANK

7. The Bank shall provide the following PS: 1/ depositing and withdrawing cash to/ from payment account as well as the operations relating to keeping it; 2/ PT, including transfer of funds from/to PA held by the Customer with the Bank or with another payment services provider, as well as PT: a) execution of direct debits; b) execution of credit transfers, including standing transfer orders; c) execution of PT via payment cards or other similar instruments; 3/ issuing of PI and/or acceptance of payments via PI; 4/ execution of available money transfers; 5/ execution of PT where the payer has given their consent for the PT via telecommunication, digital or information device and the payment has been effected to the telecommunication or information system or network operator acting only as intermediary between the PS user and the supplier of goods or services; 6/ services for transferring PA of Users within the country and facilitating Users in cross-border opening of accounts within the EU.

8. The Customer may perform mass transfers of amounts in BGN from their own current account with the Bank to other individuals' accounts with the Bank or to accounts with other banks in Bulgaria, in accordance with a file for mass transfer (FMT) submitted by the Customer in a format, described on the Bank's website, in the *Products for business customers /Payments /Mass Payments* Section. The Customer, through a legal representative or duly authorized person, shall send the FMT to the Bank electronically through the remote banking channels. Exceptionally, in case of technical problem with a remote banking channel, the Customer may submit the FMT at a Bank's desk on a technical device in electronic format, together with a List of payments attached thereto and signed by the legal representative or the authorized person and containing the file's content. In case of differences between the data in the List of payments and the data in the file, the Bank shall consider the data in the file. When processing the FMT, the specified account /IBAN/ of the originator and not his /her name shall have precedence for the Bank. The deadline for receiving the FMT for processing within the same working day is 15.00 h. The FMT received after this time, but within the Bank's business hours, shall be processed the same working day for the originator, and the internal bank transfers shall be received by the beneficiaries the same working day and the interbank transfers shall be received by the beneficiaries the next business day. Transfers through the RINGS

system in FMT shall be received and processed on the same working day, only if submitted by 15:00 h. The Customer shall be fully responsible for all incorrectly transferred amounts by the Bank, as a result of incorrect or inaccurate details filled in the electronic file sent and / or incorrect / invalid / non-existent account number (IBAN) and BIC code of the receiving bank. The Bank shall not process FMT in the presence of one or more of the following circumstances: a/ invalid/nonexistent account number or BIC code of the receiving bank; b/insufficient availability in the Customer's account for execution of all transfers in the FMT and payment of due fees and commissions to the Bank; c/other unfulfilled conditions and/or errors in the FMT format. The Bank shall inform the Customer of failure to execute the payments, ordered in the FMT through the remote channel, which the Customer has used for ordering the mass transfers, and in case the file has been submitted at a bank's desk – the Bank shall inform him/her by a telephone call or via email.

9. Opening and keeping payment account for basic operations (PABO). For Customers-Users the Bank offers also the product PABO - a PA kept in BGN via which the Bank shall provide the following services to Customers-Users: 1/ opening, using and closing a PA with/without issuing a debit card to the PA; 2/ depositing funds to a PA; 3/ withdrawal of cash from the PA within the European Union at a counter or ATM terminal device during or outside the Bank's office hours; 4/ execution of the following PT within the EU: a) direct debits; b) PT with a payment card, including payments via the Internet; c) credit transfers, including standing orders, at ATM terminal devices and POS, at counters, where available, and via the Bank's remote banking systems. Unlimited number of operations regarding the services referred to above can be performed to/from a PABO in the Bank's offices or via the Bank's remote banking systems. Detailed information on PABO and the applicable fees and commissions is available on the Bank's website in the *Individual Customers /Accounts /Account for Basic Operations* section. Upon receipt of application for opening a PABO, the Bank shall open it or shall refuse its opening not later than 10 days after receipt of all necessary documents by the Customer-User. The Bank shall refuse to open a PABO in the following cases: 1/ its opening would lead to the violation of legal provisions concerning prevention of the use of the financial system for the purpose of money laundering and terrorist financing; 2/ The Customer-User holds a PA kept with the Bank, through which they can use the services under this article, unless the former have been informed that the account will be closed; 3/ The Customer-User declares that he/she holds a PA kept with another bank in the country through which they can use the PABO services, unless the Customer-User declares in writing that they have been notified by the other bank that the account will be closed. In the event of refusal to open a PABO, the Bank shall notify the User of the specific grounds for refusal in the cases stipulated by PSPSA. The Customer-User's access to PABO shall not be bound by the purchase of additional services or shares in the Bank.

10. Transfer of a payment account. The User can initiate a transfer of a PA from one PS provider to another PS provider in the Republic of Bulgaria only if the User's PA with the two providers, are kept in the same currency. In case of transferring a PA, the Bank may act either in the capacity of transferring provider, or in the capacity of receiving provider. The Bank shall provide free of charge to the Customer-User the following information on paper or in electronic format: 1/ the functions of the transferring and the receiving provider; 2/ the deadlines for implementation; 3/ the fees, if any; 4/ any other information that will be requested by the Customer-User; 5/ information on the procedures for alternative dispute resolution. Detailed Procedure for transfer of PA is available on the website of the Bank in the *Individual Customers /Accounts /Transfer of PA* section.

11. Facilitating users in cross-border account opening. When a Customer-User who has a PA with the Bank notifies the Bank in writing that he/she wants to open a PA with a PS provider located in another EU Member State, the Bank shall: 1/ provide the User free of charge with a list of all active at the moment orders for recurring credit transfers and direct debit authorizations, incoming recurring credit transfers and direct debits made from/to the User's PA in the previous 13 months. This list does not impose an obligation on the new PS provider to provide services, which it generally does not provide; 2/ transfer the positive balance, if any, to the User's PA opened or kept with the new PS provider, provided that the Application contains the full identification details of the new PS provider and the PA; 3/ close the Customer-User's PA. If the deadline for termination of the Framework Agreement is kept, and if the Customer-User has no outstanding obligations on the PA with the Bank, the latter shall perform the above actions on the date specified by the Customer-User which should be at least six business days after the Bank receives the User's Application, unless otherwise agreed. The Bank immediately shall notify the Customer-User if their account cannot be closed due to outstanding liabilities, active liens and/or other bans/ reasons.

12. Payment accounts offered in a package. In the event that the Bank offers services to Customer-User relating to offering PA as part of a package with other product or service that are not related to PA, the Bank shall provide the User with an option the PA to be opened and kept separately from the services offered in the package. The costs and fees associated with each of the other products and services offered in the package that can be purchased separately, are specified in the Bank's Tariff.

13. Information provided by the Customer. To ensure accurate execution of payment orders, the Customer shall provide the Bank with all relevant information as required in the standard payment order forms. For the accurate identification of the payee, the payee's international bank account number (IBAN), the international bank identification code (BIC) or any other unique identifier of the payee's bank account (for countries outside the European Community) is required.

14. Authorization of payment transactions by the Customer. The Bank shall execute PT subject to these General Terms and Conditions, provided that such transactions have been authorized by the Customer in advance, namely: the Customer has placed a payment order (instruction) or have provided their consent for the execution of the PT in any other form expressly agreed upon between the Bank and the Customer or provided for in the Bank's General Terms and Conditions relevant for the transaction or in a contract concluded between the Bank and the Customer. In the absence of consent, the PT shall be considered unauthorized. The Bank shall accept payment orders that are not completed in its standard form only if they contain all the mandatory particulars for their execution. It shall be deemed that the Customer has ordered or given their consent for the execution of a PT if the Customer, either in person or through a duly authorized person has signed a standard payment order (instruction) form on paper or in electronic form and this payment order is: a/ submitted at the Bank's counters; b/ sent by fax / e-mail to the Bank (if the Customer has signed in advance a declaration form of the Bank, authorizing it to accept and execute PT received by fax/ e-mail); c/ sent via the Bank's remote banking system in line with the Bank's General Terms and Conditions for Remote Banking or d/ the Customer has expressly provided their consent and/or has instructed the Bank to execute a PT in other written agreement or document signed by the Bank and the Customer.

15. The Bank shall execute PT as instructed by the Customer only provided that the following requirements have been simultaneously met: 1/ the PT has been ordered by the Customer or their duly authorized representative or the Customer has given consent for its execution; 2/ The Customer has sufficient available funds in their account for the respective payment transaction to be executed and to cover all fees and commissions relating thereto; 3/ The Customer has provided the Bank with all duly executed payment documents and other relevant documents required pursuant to a legal act or by the Bank for the execution of the PT; 4/ The amount and type of PT shall be within the powers of the Customer or of the duly authorized person; 5/ The payment order shall be clear and accurate, in line with the existing legislative framework, the Framework Agreements and General Terms and Conditions of the Bank, the banking model forms and shall contain all the particulars for its execution; 6/ The payment order shall be for an amount not exceeding the maximum transaction value entered in the qualified electronic signature certificate (if such certificate is used), or not exceeding the relevant User's powers. If any of these conditions has not been met, the Bank shall refuse the execution of the PT and shall not be held liable for any damages resulting from failure to execute it. In this case, the Bank shall

promptly notify the Customer within the deadlines for execution of the relevant PT of the reasons for the refusal and the procedure for correcting the factual errors leading thereto, unless there is a ban on providing such information under another law or EU act. A payment order, which the Bank has refused to execute, shall be deemed not received. In the event that all conditions are met, the Bank shall not refuse a PT unless there is a restriction under a statutory regulation.

16. The Bank may debit the Customer's account without their prior consent in the following cases: 1/ for collection of due fees and commissions; 2/ execution of adjustment transfer ex officio in line with PSPSA and Ordinance No. 3 of the BNB; 3/ enforced restraint; 4/ running legal enforcement under a procedure provided for by the law; 5/ payment under a direct debit order already approved by the Customer; 6/ ex officio collection by the Bank for which the Customer has given their prior consent; 7/ other cases as set forth by the law, the General Terms and Conditions of the Bank or in a written agreement with the Customer.

17. The Bank shall not execute partial transactions under separate transfer orders or direct debit orders. Partial payments may be done solely upon legal enforcements in the manner provided for by the law and in the event of ex officio collection on behalf of the Bank.

18. **Withdrawal of Consent.** The Customer may withdraw a payment order or their consent for executing a PT at any time, but not later than the time such PT becomes irrevocable as provided for in the next article. The Customer, in a capacity of a payer, may not revoke a payment order once it is received by the Bank.

19. **Revocable/Irrevocable Payment Transactions.** Where a PT is to be executed at the demand of or through a payee, the payer shall not cancel a payment order following its placement with the Bank or where the payer has already given their consent for the execution of the PT in favor of a payee. When the Customer and the Bank agree that a payment order is to be executed on a certain day or on the day following the expiration of a certain deadline or on the day on which the payer provides the Bank with the necessary funds to execute the order, the Customer may cancel the payment order not later than the end of the working day, preceding the negotiated day. Where direct debit is concerned, the Customer in their capacity of a payer may cancel their payment order not later than the end of the working day, preceding the day on which debiting their account has been agreed upon. Upon expiration of the deadlines under this Article, but not later than the time of crediting the payee's account is also required. This article shall not apply where a Customer is a legal person or a sole trader – such Customer may cancel a payment order only with the Bank's consent given prior to the transfer execution.

20. **Execution of Direct Debit in Bulgarian Levs (BGN).** Upon direct debit payments in Bulgarian Levs the Customer acting as payer shall provide the Bank with their prior consent, a copy of which shall also be sent to the payee. Prior to executing payment on a direct debit order, the Bank shall verify whether: 1/ the payer's prior consent for direct debit is available for making the payment, incl. whether the documents required for its execution, if any, have been received; 2/ there are sufficient available funds to make the payment.

21. **Receipt of Payment Order.** The time of receipt of payment order shall be the time at which the Bank receives a payment order, handed directly by the Customer as payer or indirectly by or through a payee under the procedure and in the manner provided for in the applicable General Terms and Conditions of the Bank. In the event that the time of receipt of the order falls on a non-business day for the Bank, the payment order shall be deemed received on the following business day. Where the Customer and the Bank make arrangements that a payment order is to be executed on a certain day or on the day, following the expiration of a certain deadline, or on the day on which Customer makes available the funds necessary to execute a payment order, the time of receipt of the payment order shall be the date thus arranged, and when this date is a non-business day for the Bank, the next business day shall be deemed the date of receipt of the payment order.

22. Payment orders on paper submitted with the Bank not later than 15:00 hours shall be processed on the same day for the originator and those submitted after this time shall be processed on the next business day. The execution of payment orders received via the Bank's remote banking system shall be regulated by the Bank's General Terms and Conditions for Remote Banking.

23. The Bank shall have the right to refuse to execute a PT ordered by the Customer in the event of restrictions imposed by the applicable law or the General Terms and Conditions applicable to the relevant PT and/or in any other cases agreed between the Bank and the Customer, as well as where the payment order is unclear, inaccurate or does not include all the required particulars in the template bank forms, etc. Where the Bank refuses to execute a payment order, the reasons thereof shall be communicated to the Customer, unless there is a ban to provide such information under the existing legislation. A payment order rejected by the Bank shall be deemed not received.

24. **Deadline for executing PT in BGN, EUR and PT relating to one-off foreign currency exchange between Bulgarian Lev and Euro in Bulgaria, as well as in the cases of cross-border PT in Euro:** 1/ The Bank shall ensure that the PA of the payee's PS provider is credited with the amount of the PT not later than 2 business days after the receipt of the payment order; 2/ When the transfer is made via the RINGS payment system, the Bank shall ensure that the payment account of the payee's bank is credited on the business day, within 1 hour after receipt of the payment order; 3/ Upon receipt of funds to PA, the Bank shall determine the value date to credit such accounts and shall make the funds available to the payee's PA following receipt of funds from the respective payer's PS provider. The value date of crediting the payee's PA shall be not later than the business day on which the Bank's account is credited with the amount of the PT; 4/ In case of payment orders carrying a future execution date (no more than 5 (five) business days from their submission), the Bank shall execute the orders with the value date stated on the payment order; 5/ Upon execution of a direct debit order, the Bank shall transmit such payment order to the payer's PS provider on the business day of payment order receipt or not later than the following business day, but in such a manner as to ensure that settlement is executed on the agreed date. 6/ In the event that within 5 (five) business days following receipt of direct debit order the conditions for its execution do not occur, the Bank shall refuse to execute it; 7/ Where a payee does not have a PA with the Bank, the Bank shall make available to payee the funds received within the deadlines specified above; 8/ Where money in cash is deposited by a Customer-User to a PA in the currency in which such payment account was opened, the Bank shall make available the deposited amount and shall determine the value date of crediting the account immediately after the time the funds were received. Where the beneficiary of PS is not a user, the amount shall be made available and the value date shall be determined not later than the following business day on which funds were received.

25. **Deadline for Executing PT in Foreign Currencies:** 1/When executing PT in other foreign currencies and except for the cases referred to in the previous article, the Bank shall apply the deadlines specified above with the exception of cases where the Bank executes PS on behalf of a payer. In such case, the Bank shall ensure that the account of the payee's PS provider is credited not later than 4 business days after the receipt of the payment order; 2/ When both the payer's and the payee's PAs are opened with the Bank, the value date of crediting the payee's account shall be the same business day.

SECTION IV. FEES, COMMISSIONS, INTEREST RATES AND FOREIGN CURRENCY EXCHANGE RATES

26. **Fees and Commissions.** For the provision of PS and PT, the Bank shall charge to the Customer fees and commissions as set forth in the Fees and Commissions Tariff of the Bank. The Bank and the Customer may negotiate and agree upon different fees and commissions. The Bank shall reserve its right to amend its Tariff at any time, and such amendments shall become effective for Customers-Users in compliance with the provisions of Section XI hereunder.

27. Upon execution of PT within the European Community, the payer shall pay the fees charged by his/her bank, while the payee shall pay the fees collected by his/her bank, i.e., when executing such PT, the Bank shall execute these payment orders, applying the SHA option for fees and expenses (shared – the principle of shared fees), unless the PT requires currency exchange.

28. The Customer may order a currency transfer by choosing among one of the applicable options: (1) SHA (shared fees); (2) OUR (all fees are at the expense of the payer) or (3) BEN (all fees are at the expense of the payee) in the following cases: a) the transfer is in a currency, other than the official currency of the respective EU member state; b) in the event that the PT is outside the European Community; c) when there is an agreement between the payer and the payee.

29. **Interest Rates.** With regard to the opened PA, the Bank shall apply the interest rates specified in the Interest Rates Bulletin of the Bank. The Bank and the Customer may negotiate and arrange for different interest rates to be applied. The Bank reserves its right to change at any time the interest rates on the opened PA, and such changes shall become effective for Customers-Users in compliance with the provisions of Section XI hereunder. Whenever changes of interest rates are beneficial to the Customer-User these shall be applied without prior notification. The deposit accounts offered by the Bank shall be used only for the purpose of storing money and the interest rate changes regarding such accounts shall apply without a prior notification.

30. In the event that, as per the Bulgarian Tax Legislation, the Customer owes taxes on income from interest, the Bank shall accrue and withhold such taxes ex-officio.

31. Upon foreign currency exchange, the Bank shall apply the valid buy-rate and sell-rate, respectively, at the time of recording as announced at the Bank's counters and on the Bank's website and the Bank's remote banking channels. These exchange rates are subject to change within the day and any changes shall be displayed in a prominent place. The Bank and the Customer may also arrange other exchange rates. Upon receipt of a foreign currency transfer where the currency of received funds is different from the currency of the account, the Bank shall translate ex officio the funds received into the currency of the payment account applying the exchange rate valid at the moment of currency translation.

SECTION V. COMMUNICATION WITH THE CUSTOMER RELATING TO PAYMENT SERVICES PROVISION

32. For the purposes of record-keeping of PT from/to a Customer's account, the Bank shall prepare an Account Statement and provide it to the Customer in the manner and at the frequency as agreed upon between the Parties. Account Statement shall not be issued for periods where no transactions have been recorded into the account.

33. Upon opening an account, the Customer shall state and confirm to the Bank in writing the manner in which the Customer wishes to receive their Account Statements as well as any written communication, notifications and other information provided by the Bank (hereinafter referred to as Customer Communication), as well as the frequency to receive such Communication. The Customer shall have the right to change at any time the selected way and frequency for receiving the Customer Communication by a written application to the Bank. The official language of the Customer Communication shall be Bulgarian. The mailing address or e-mail address declared by the Customer shall be deemed the addresses to which the Bank shall send all notifications, communications, Customer Communication and other documents provided for in these General Terms and Conditions. Where the Customer has changed these addresses without timely notifying the Bank in writing of the new mailing address or e-mail address, all notifications, communications, Customer Communication and other documents sent to the old address shall be deemed validly received. The Bank shall send Account Statements by post to a mailing address specified by the Customer once a month between the first and the tenth day of the month following the month for which the Account Statement was issued.

34. Customers – Users who use a Remote Banking Channel will receive the Account Statement via it and may also request from the Bank's counters an Account Statement on paper for previous periods.

35. The possible ways and frequency for receiving Customer Communications by Customer - legal entity or sole trader, shall be as follows: 1/ at the Bank's counters; 2/ via postal services at the addresses stated by the Customer as correspondence address, 3/ via electronic mail to an electronic address stated by the Customer, 4/ via the Bank's Remote Banking system. If the Customer uses remote banking, by default they shall receive Account Statement via the remote channels (main settings) and they may also request to have their Account Statement received in an additional way/frequency (additional settings). In such case, the Customer's accounts shall be charged the higher of the two monthly maintenance fees for the two setting types (main and additional). The possible frequency options are: 1/ upon each transaction recorded into the account (applied by default for remote banking Customers; 2/ at the end of each month (monthly statement) or 3/ upon Customer's request (includes Account Statement for one calendar month and is charged extra according to the Bank's Tariff).

36. Depending on the manner the Customer chooses to receive Customer Communication, the Bank shall deem that the Customer has been notified of executed payment transaction(s) and that they have received their Customer Communication as defined hereunder: a/ at the Bank's counters - the Customer shall be deemed notified of the date of Banking Communication distribution into the Customer's Communication file. In such case, the Bank shall make available to the Customer the Account Statement not later than the following business day after the date on which such statement has been prepared depending on the frequency of receipt chosen by the Customer; b/ by regular mail - the Customer shall be deemed notified within 7 business days from the date on which the Bank has dispatched the Customer Communication to the address specified by the Customer; c/ via electronic mail - the Customer shall be deemed notified on the date on which the Bank has sent an electronic message to the e-mail address as specified by the Customer; d/ regardless of the manner chosen by the Customer to receive Customer Communication, if a Customer uses Remote Banking, which ensures ongoing monitoring of all transactions in real time, the Customer shall be deemed notified as soon as the relevant transaction was recorded into the system; e/ upon request - the Customer shall be deemed notified as of the moment of recording a transaction regardless of the time of handing the customer communication to the Customer. (The Customer agrees that the latter manner of receiving Customer Communication involves a risk of late receipt).

37. Any claims or objections relating to the Customer Communication shall be submitted to the Bank in writing within the deadlines stipulated in these General Terms and Conditions. The lack of objection within the stipulated deadlines shall be deemed that the Customer has given their tacit approval and consent.

SECTION VI. USING PAYMENT INSTRUMENTS – OBLIGATIONS, LIMITS, BLOCKING

38. **Customers' Obligations to Ensure Security of Payment Instruments Provided by the Bank.** When using PI, provided by the Bank, the Customer shall take appropriate precautions to ensure the security of such PI, including: a/ to use PI in compliance with the terms and conditions providing for their issuance and use; b/ upon receipt of PI, the Customer shall promptly undertake reasonable measures to prevent unauthorized access to their personalized protection data. The Customer shall not record any information of such data on the PI itself and shall not store such data alongside a PI; c/ if the Customer becomes aware that a PI has been lost, stolen, illegally appropriated or used without authorization, they shall immediately inform the Bank at: 070014488 or (02) 9658357 from 8:30 a.m. to 5:30 p.m., Monday to Friday, excluding official holidays.

39. **Payment Limits When Using Payment Instruments.** Users of Remote Banking may be authorized/ restricted to make PT of up to a certain limit. Such limits shall be set in the Application for the use of the Bank's Remote Banking system.

40. **Blocking a Payment Instrument.** The Bank shall be entitled to block the use of PI for objective reasons related to: a/ the PI security; b/ suspected unauthorized use; c/ fraudulent use; d/ a significantly increased risk that the Customer will be unable to perform their obligations to pay -where PI involves lending facilities); e/ a notification by the Customer under Art. 38 of these General Terms and Conditions. In such cases and if appropriate, The Bank shall inform the Customer either prior to or immediately after having blocked a PI and shall state the reasons thereof, unless provision of such information is prohibited for security reasons or with a view to compliance with legally imposed requirements obstructing provision of such information to the Customer. The Bank shall unblock a PI or shall replace it with a new PI once the reasons of blocking cease to exist.

SECTION VII. NOTIFICATION OF UNAUTHORIZED OR INCORRECTLY EXECUTED PAYMENT TRANSACTIONS

41. The Customer shall notify the Bank without undue delay, immediately after they have become aware of an unauthorized or incorrectly executed PT, but not later than 13 months as of the date their account had been debited. Where the Customer is not a User, they shall notify the Bank not later than 14 days after their account had been debited. The Customer shall be deemed aware of an unauthorized or incorrect PT not later than they have received their Customer Communication relating to the respective PT in the manner provided for in Section V above. The Bank shall correct such PT only if the Customer has notified it in the manner provided for in this article.

SECTION VIII. LIABILITY IN THE EVENT OF UNAUTHORIZED OR INCORRECTLY EXECUTED PAYMENT TRANSACTIONS

42. In the event of an unauthorized PT, the Bank shall immediately refund its value the Customer, and if appropriate and applicable, the Bank shall restore the Customer's PA to its initial status, in which it would have been before the unauthorized PT. Such refund shall be effected immediately following the completion of the procedure to establish the authenticity and correct execution of a PT after receipt of Customer's notification of an unauthorized or incorrect PT. The provision of this article shall not apply and the Customer – User shall sustain all losses relating to any unauthorized PT, resulting from the use of a lost, stolen or illegally appropriated PI due to Customer's failure to protect the safety of the personalized security data of the instrument of up to maximum amount of BGN 300. The provision of this article shall not apply and the Customer – legal entity or a sole trader shall sustain all losses, regardless of the amount, relating to all unauthorized PT, resulting from the use of a lost, stolen or illegally appropriated PI due to Customer's failure to protect the safety of the personalized security data of the instrument.

43. In the event that a Customer- User claims that they have not authorized execution of a PT or that the transaction has not been executed correctly, the Bank shall bear the burden of proof to establish the authenticity of the transaction, its registration and recording, as well as the absence of any technical errors or any other flaw affecting the transaction.

44. The Customer shall bear all losses related to unauthorized PT in the event the former has caused such transactions to be effected due to fraudulent behavior or failure to perform one or several of their obligations as a PI user, either intentionally or resulting from gross negligence. In such cases the Customer shall bear all losses regardless of their extent.

45. The Customer shall promptly notify the Bank of a loss, theft, illegal appropriation or unauthorized use of a PI as soon as the Customer has become aware of such occurrence. In such case the Customer shall sustain no property damages resulting from the use such PI, except in the events of fraudulent behavior on the part of the Customer.

46. In the event that the Customer is not a User and claims that they have not authorized execution of a PT or that the transaction has not been executed correctly, the Customer shall bear the burden of proof to establish that the PT was not authorized and/or was not correctly executed by the Bank.

SECTION IX. LIABILITY OF THE BANK IN EXECUTING PAYMENT TRANSACTIONS

47. The Bank shall transfer the full amount of the PT and no fees shall be withheld from it. The Bank shall not make partial transfers under separate payment orders or direct debit requests. Prior to crediting the account of a payee Customer, the Bank, in its capacity of the payee's bank, may withhold from the transferred amount the fees due, and in such case in the communication to the Customer the value of the PT shall be stated separately from the amount of the fees withheld by the Bank.

48. **Unique Identifier (IBAN).** Where a payment order is executed in accordance with the unique identifier stated therein, such payment order shall be deemed correctly executed as regards the payee identified by the unique identifier. The Bank shall not be liable for having failed to execute or having incorrectly executed a PT containing an invalid/ incorrect unique identifier stated by the Customer. In such case, the Bank shall take proper care and make efforts to restore amount transferred under the PT. Upon failure to execute a PT due to invalid unique identifier, the Bank of the Customer in the capacity of originator, shall refund the amount to the PA of the Customer at latest on the following business day.

49. **Liability of the Bank arising from failure to execute and incorrectly executed payment transaction ordered by the Customer as Payer.** Where a Customer submits a payment order with the Bank as payer, the Bank shall be liable to the Customer for the correct execution of the PT, unless the Bank proves to the Customer or to the payee's bank that the latter has received the amount of the PT within the deadlines set forth in applicable law. In such case, the payee's bank shall be liable to the payee for the correct execution of the PT and shall immediately make available to the payee the amount of the PT and when applicable, shall credit the payee's PA with the respective amount. In the event of failure to execute and/or incorrect execution of a PT ordered by the Customer as payer, upon request the Bank shall undertake steps with the proper care to track such PT and shall notify the Customer of the result.

50. **Liability of the Bank arising from failure to execute and incorrectly executed payment transactions ordered by the Customer as Payee.** Where a payment order is submitted by or through the Customer as a payee, the Bank shall be liable to the Customer for the correct submission of payment order to payer's bank within a timeframe allowing for the settlement to take place on the agreed date. In such case, the Bank shall immediately submit the payment order to the payer's bank. The Bank shall be liable to the Customer as payee for the execution of the PT and makes available to the Customer the PT amount immediately following the crediting their account with such amount. In the event of failure to execute or incorrect execution of a PT, as ordered by a payee Customer, the Bank, upon request, shall undertake steps with the proper care to track the PT and shall notify the payee of the result.

51. Where a Customer is a User, the Bank shall be liable to refund all fees collected from the Customer as well as refund all interests the Customer may have been charged as a result of failure to execute or incorrect execution of a PT.

52. The Customer shall also be entitled to indemnity to the full amount of damages sustained by them in accordance with the applicable Bulgarian law.

53. **Discharge.** The Bank shall not be liable under this Section in the event of force majeure, extraordinary and unexpected circumstances beyond the control of the Bank whose consequences would inevitably occur, regardless of all efforts that would have been taken to prevent them as well as in cases where the Bank has undertaken steps to perform in compliance with legally established obligations pursuant to EU laws or the laws of Republic of Bulgaria.

54. **Reimbursement of funds under a payment transaction initiated by or through the payee.** Where the Customer is a User and is acting as Payer, they shall be entitled to request the Bank to reimburse the whole amount of a PT already executed and authorized provided that such

transaction has been ordered by or through the payee when the following requirements are met: 1/ the exact amount of the PT has not been specified as of the moment of its authorization and 2/ the value of the PT exceeds the value expected by the Customer with a view to previous similar transaction costs, the provisions of these General Terms and Conditions and other specific circumstances relating to the particular case. The Customer shall request such refunds from the Bank within 56 days from the date on which their bank account was debited. Upon request by the Bank, the Customer shall present evidence of the existence of the circumstances under this article. Within 10 business days following receipt of Customer's request for refund, The Bank shall either refund the whole PT amount to the Customer or shall refuse to do so by stating the grounds for refusal. The Customer may not request refunds under an executed and authorized PT by grounding their request on reasons related to foreign currency exchange provided the exchange rate has been agreed with the Bank in these General Terms and Conditions. The Customer shall not be entitled to refund of the full amount under an already executed and authorized PT if the Customer has granted their authorization for the execution directly to the Bank and the Bank or the payee has provided or made available to the Customer information for the forthcoming PT under agreed terms and conditions at least 28 days prior to its execution.

SECTION X. ERRORS CORRECTION

55. Where the Bank of the Customer who is the payer is liable for an incorrectly executed PT and the funds under such transaction have been credited to a wrong account / account with a unique identifier different from that specified by the Customer in the payment order or the account of the payee has been credited with amount other than the amount specified by the Customer in the payment order, or when the Bank has debited the Customer's account with an amount different from that specified by the payer in the payment order, or in the event of duplicated execution of an authorized PT, the Bank shall be entitled to request from the payee's bank to execute an ex officio adjustment transfer from the payee's account to which the funds were wrongly credited, within 5 business days from the date on which the Bank has reimbursed the amount of an incorrectly executed PT to the Customer's account but not later than a month after the Bank has been notified by the Customer or in any other way becomes aware of an incorrectly executed PT.

56. The Bank of the Customer who is the payee of funds under an incorrectly executed PT, within 5 business days following a request pursuant to the preceding article shall make an adjustment transfer from the payee's account to the bank account of payer. The Bank shall not collect fees and commissions when executing ex officio adjustment transfers.

57. In the events where no ex officio adjustment transfer has been made under the procedure and within the deadlines provided for in this Section, relations between the Bank and the Customer shall be governed by the applicable laws.

SECTION XI. AMENDMENTS TO THE GENERAL TERMS AND CONDITIONS AND TERMINATION OF THE FRAMEWORK AGREEMENT.

58. The Bank may at any time amend and supplement these General Terms and Conditions and the amendments shall come into effect from the date specified in the decision of the competent body of the Bank. With regard to Customers-Users, with whom the Bank has already concluded Framework Agreements, the Bank shall notify the proposed amendments to the General Terms and Conditions at least two months prior to the effective date. Notification shall be given as information on the amendments is made available on paper at the Bank's counters or on the Bank's website in the Bulgarian and the English language, or through the Bank's remote channels in a manner allowing its storage and reproduction. The Bank shall deem that the Customer-User accepts and approves the amendments to these General Terms and Conditions and they shall be binding on the Customer unless they notify the Bank in writing that they do not accept the amendments to the General Terms prior to the date on which these shall take effect.

59. The scope of PS provided may be extended upon mutual agreement between the Bank and the Customer. In such case, the two months period for prior notification to Customer-User shall not apply.

60. In the event that a Customer-User notifies the Bank in writing that they do not accept the amendments to these General Terms and Conditions prior to the date on which they shall take effect, the Customer-User is entitled to immediately terminate the Framework Agreement prior to the date on which the amendments take effect without being liable for any costs and indemnities.

61. Amendments to the legislation concerning the terms and conditions of maintaining PA and PS provision shall be binding on both the Bank and the Customer as of the moment such amendments come into effect.

62. The Framework Agreement shall be terminated and the accounts opened on its grounds shall be closed in the following cases: a) by mutual agreement between the Parties; b/ unilaterally by the Customer by one-month written notice, in the event that the Customer has no obligations to the Bank at the expiry of the notice period; c/ unilaterally by the Bank by two-month written notice, which shall be provided to the Customer on paper in line with the Customer Communication procedure, chosen by the customer upon opening the account, or at the Bank's counters or by registered mail; d/ unilaterally by the Bank ex-officio in the event that the following conditions are present simultaneously: for more than 6 /six/ consecutive months no payment transaction has been executed from/to the Customer's bank account, the Customer has not paid the monthly maintenance fees and has no balance of the account; e/ unilaterally by either party, without prior notice, in the event of default on the obligations by the other Party.

SECTION XII. APPLICABLE LAW AND DISPUTE RESOLUTION

63. For all issues not provided for in these General Terms and Conditions or in the Framework Agreement or in any other contractual agreements between the Customer and the Bank, the provisions of the PSPSA, Ordinance No. 3 of the BNB, the Credit Institutions Act, the Electronic Document and Electronic Signature Act, the Remote Banking Services Act and any other relevant provisions of the applicable Bulgarian law shall apply.

64. The Bank and the Customer shall make reasonable efforts to resolve all disputes by negotiations and based on out-of-court mutual agreements. In the event of unauthorized PT, inaccurate or wrong execution of PT by the Bank, the Customer may file a written objection with the Bank. The Bank shall state their decision and shall notify the Customer in writing within 14 days following the date on which an objection was filed, under the procedure provided for in the Policy for Handling Complaints by Customers published on the Bank's website. In the event that the Bank fails to make a statement on such objection, and also when the Bank and the Customer fail to reach mutual agreement or when the decision of the Bank is not satisfactory to the Customer, the dispute shall be referred to the *Conciliation Committee for Payments Disputes* (CCPD) at the Consumer Protection Commission at the following address: Sofia 1000, 4A, Slaveykov square, fl. 3; phone: + 359 2 9330577; fax: + 359 2 9884218; e-mail: adr.payment@kzp.bg; website: www.kzp.bg and http://abanksb.bg/pkps or to the competent Bulgarian court.

SECTION XIII. MISCELLANEOUS

65. Upon Customer's request, the Bank shall provide these Terms and Conditions in both the Bulgarian and the English language. In the event of contradictions between the Bulgarian and the English text, the Bulgarian version shall prevail. The Bank shall regularly update the text of

these General Terms and Conditions on its Internet site. Throughout the validity of the Framework Agreement, the Customer may upon request receive these General Terms and Conditions on paper or any other durable medium.

66. These General Terms and Conditions are adopted by decision of the Management Board of the Bank dated 27.06.2013 and have been amended and supplemented by decision of the Management Board of the Bank dated 18.12.2014, 15.09.2016, 24.11.2016 and by decision of the Management Board of 14.09.2017, where the last amendments shall enter into force on 21.09.2017 and from that date shall apply to all Customers, except the Customers-Users with whom the Bank has concluded Framework Agreements before 21.09.2017. For these Customers-Users, the amendments shall take effect from 21.11.2017, and the Bank considers that the Client-User has accepted and is bound by the amendments unless the latter notifies the Bank in writing before that date that the Client-User does not accept the amended General Terms and Conditions, amended by Resolution of the BoD of the Bank as of May 17, 2018, effective as of May 25, 2018..