

## **GENERAL TERMS OF UBB AD ON PAYMENT SERVICES FOR BUSINESS CLIENTS**

### **I. SUBJECT**

1.1 These General Terms shall regulate the relations between United Bulgarian Bank AD (referred to hereinafter as the Bank or UBB), registered in the Commercial Register with the Registry Agency under Company Identity Number 000694959, with its supervisory body being the Bulgarian National Bank, registered as personal data controller with number 0006399 of the Commission for Personal Data Protection, with registered and head office address in Sofia, 89B Vitosha Blvd., website [www.ubb.bg](http://www.ubb.bg) and the Client (referred to hereinafter as Business Client, Account Holder or User of Payment Services), having no User capacity, with regard to payment services and related to them payment instruments, as follows:

1.1.1 Opening, disposal and closing of payment (current) accounts and of other bank accounts. Bank accounts may be payment accounts, as well as non-payment ones (accounts opened only for storing cash or for repayment of loans);

1.1.2. Effecting of payments through using payment instruments, offered by UBB, regardless of the availability of a bank account;

1.1.3. Submission of payment orders for credit transfers;

1.1.4. Submission of orders and consents for direct debit;

1.1.5. Submission of mass payroll orders;

1.1.6. Effecting of cash operations and cash transfers;

1.1.7. Access to accounts and bank cards through e-banking;

1.1.8. Use of payment cards;

1.1.9. Other, which the Bank may create for use by the Client.

1.2. The relations between the Bank and the Client in relation to payment services are described in these General Terms, comprising of general sections, treating all payment services and instruments, as well as special sections, describing the specifics of the separate types of payment services and the payment instruments thereto.

1.3 For any account, as well as for certain types of payment instruments (bank cards and e-banking) a separate agreement shall be signed, specifying the characteristics of the payment service or the payment instrument.

1.4. To individual cardholders of company cards UBB AD General Terms on Payment Services for Individuals shall apply in their part, relating to bank cards.

1.5. To bank accounts not used for payment, the rules treating single operations shall apply, regulating the terms and conditions for withdrawing and depositing amounts in those accounts.

1.6. UBB AD Fees and Commissions' Tariff for Business Clients (FCTBC) and UBB AD Interest Rates' Tariff (IRT), referred to hereinafter jointly as the Tariffs, are an integral part of these General Terms.

### **II. COMMUNICATION BETWEEN THE CLIENT AND THE BANK. BECOMING ACQUAINTED WITH THE TERMS AND CONDITIONS, NOTIFICATIONS, MESSAGES, STATEMENTS**

### **Becoming acquainted with the Bank's terms and conditions on payment services and the amendments thereto**

2.1. These General Terms and the Bank's Tariffs (in their part applicable to the respective payment service and/or payment instrument) shall be provided to the Client on a long-lasting data storage medium prior to signing an agreement for opening an account, issuing of a payment instrument or a payment service, as well as upon request on his/her part. The main method for providing information on a long-lasting data storage medium, which concerns all Clients, is to publish the respective documents in the Bank's web site (electronic address) - [www.ubb.bg](http://www.ubb.bg), as the client shall be obliged to keep himself/herself updated on a regular basis of the effective terms and conditions of the Bank for payment services from its website or in UBB branches.

2.1.1. In the bank halls, the Client may receive the General Terms and the Tariffs on a hard copy.

2.1.2. These General Terms, the Bank's Tariffs and any other important information for the Client, related to payment services, is available at any time in a specially designated information field on UBB website [www.ubb.bg](http://www.ubb.bg). The Bank creates conditions for the Client to be informed about the up-to-date documents and changes in them. The Bank guarantees the unchanged production of the information under the current item.

2.2. By signing of the agreement for the respective account, payment instrument or service, the Client declares that they are acquainted with the current General Terms and the respective applicable to them parts of the Tariffs and accepts them.

2.3 The bank shall take the necessary care to notify the clients for all changes in these General Terms and the Tariffs regarding the conditions for the performance of payments by exporting information about this in one or a few of the listed ways, as follows:

a. At specially designated places in the banking halls;

b. In UBB website [www.ubb.bg](http://www.ubb.bg) in the specially designated information field, pursuant to Item 2.1.2. above;

c. In the monthly statement to the Client, as the notification shall be considered made, effective from the day when he/she could have received the statement.

2.4. The change shall become effective on the date, indicated in the Bank's notification and shall apply to all users of UBB payment services- Business Clients of UBB.

### **Change of interest rate conditions on deposit bank accounts (term deposits)**

2.5. In case of a change in interest rate terms and conditions, applied by the Bank on deposits, opened prior to the date of the change, the interest rate terms and conditions shall be updated after the maturity date and shall concern the next agreed deposit period.

### **Individual information about account movements and operations with payment instruments (statements)**

2.6. Individual information for a Client (account movements and balances, information on operations with a payment instrument) shall be sent or kept available on a hard copy in the banking halls or printable in the Client's user profile in e-banking pursuant to the stipulations under the respective account / payment instrument agreement. Statements shall be sent to the latest correspondence address, provided by the Client to the Bank, as the correspondence address may also be an electronic one.

2.6.1. The client shall undertake to inform the Bank in case that he/she does not receive account statements in the agreed manner. In case of a non-received account statement, of which the Bank has not been informed and more than one period of the agreed term for its receipt has elapsed, it shall be considered that the Client has acted with negligence and has not employed the due care to receive information of the effected transactions.

2.6.2. If the Client indicates an incomplete or incorrect address, as well as in case he/she fails to notify the Bank in writing of the change of his/her address, all notifications and invitations for which that was the selected manner of notification, sent by the Bank to the Client, shall be considered validly delivered.

2.6.3. If the Client cannot be found twice on different days at the address designated by them for delivery of a notification sent by the Bank, then the notification shall be considered validly delivered.

2.7. Each e-banking client, as per the Bank's terms and conditions for this type of service, may receive information on the movement on his/her account/transactions with his/her payment instrument in his/her e-banking user profile for the period after signing the e-banking agreement and after adding the account for usage through this channel.

2.8. The communication between the parties hereunder shall be mutual and in both directions, in view of which the Client shall be obligated to keep himself/herself updated periodically and regularly of the changes or the new features of payment services, which UBB offers through the Bank's site and in the branch network. The non-performance on this obligation shall be considered a violation of these General Terms and the specific agreement.

### **III. TERMS AND CONDITIONS FOR REGISTRATION AND IDENTIFICATION OF CLIENTS UPON CONCLUDING AGREEMENTS FOR OPENING OF ACCOUNTS / ISSUING OF PAYMENT INSTRUMENTS**

#### **Identification of Clients upon opening an account**

3.1. Prior to the bank's entering into business relations with a Business Client the Bank shall identify it, the persons that manage and represent it, as well as its actual owners. The Bank shall be entitled to check the authenticity of the documents provided to it through using data, documents and information from independent sources.

3.2. The bank performs the initial registration of the Client only in the presence of their legal representative or their proxy, who identifies themselves with an authorization, corresponding to the requirements of UBB, listed in these terms and conditions, except in cases of distant conclusion of an agreement for a bank account by clients of other banks from the group of KBC and IBOS.

3.2.1. Initial registration of a client by a re-authorized person shall not be allowed.

3.3. A Business Client, willing to use payment services, shall provide to the Bank the following documents and information:

3.3.1. The Client's lawful representative or a person, authorized by him/her shall provide consent to the Bank about photocopying his/her identity document for its records.

3.3.2. Certificate of current registration in the Commercial Register/Bulstat Register with the Registry Agency, issued not earlier than one month prior to the request for account opening or a notarized certificate of current registration, printed from the Internet page of the Commercial Register/Bulstat Register, or a certificate of current registration, printed from the Internet page of the Commercial Register/Bulstat Register and certified with the signatures of the individuals, representing the Account Holder in the presence of the servicing bank employee; Regarding clients who are registered in other registers, an original certificate in the respective register is required, issued no more than three months before it being presented at the Bank.

3.3.3. A commercial representative office of a foreign entity shall present a document for registration in the Bulgarian Chamber of Commerce and Industry;

3.3.4. A copy of the Articles of Association, respectively Statutes or Incorporation Agreement, by which to check the powers of disposal of the Account Holder's property. The copy shall be certified with the original signatures of the individuals, representing the Account Holder. A legal entity, established with an enactment or administrative decree shall provide a copy of either the enactment or the administrative decree, under which it has been established.

3.3.5. When certain activity is subject to a license, permit or registration, in case the Account holder effects deals and operations relating to this activity, he/she shall provide a copy of the respective license, permit or certificate of registration;

3.3.6. Upon disposal on the part of a proxy an original or a notarized copy shall be provided of the act, through which the individuals have been empowered to dispose of the funds in the account.

3.3.7. Specimen of the signatures of the individuals, who will dispose of the funds in the account, as the signatures of these individuals shall have to be laid in the presence of an employee of the Bank;

3.3.8. A sole proprietor shall present all above listed documents, except that under Item 3.3.4.;

3.3.9. A legal entity that has not been registered in the Republic of Bulgaria or a company, which is not a legal entity and has been registered abroad, shall provide documents, certifying its proper incorporation and existence, as well as all documents, analogous to those above, by taking into consideration the requirements of the applicable law.

3.4. The Bank shall be entitled to also require other documents by its own judgment, of which it shall inform the Client (for example declaration forms regarding the introduced by the Bulgarian legislation automatic exchange of financial information with foreign jurisdictions, bank references, documents for rented premises, paid communal services, etc.). Besides the indicated documents the Bank may also require from the Client other documents in view of the particular product, adherence to regulatory requirements or implementation of good banking practices.

3.5. The Bank shall be entitled to refuse registration and account opening to a client, without the obligation to motivate the reasons for its denial.

3.6. The registration data of the Client may be amended after certifying the respective circumstances before the Bank through official or notarized private documents. Changes, subject to entry into public registers, shall only have effect in relation to the Bank since the moment of its being informed in writing by the legal representative or proxy, pursuant to the current general Terms, of the occurred change.

3.6.1. Changes in the data about specific payment instruments shall be declared with the respective sample forms of the Bank.

3.6.2. Upon signing an agreement for opening a new account / issuing of a new payment instrument of an already registered client, the same shall present only updated data, in case there are changes after the initial registration or data, required according to the specifics of the Agreement for the respective payment instrument.

3.6.3. In case of ambiguity in data regarding a Client, the Bank may deny performance of a transaction until the due certification of the occurred changes in the data.

3.7. Identification of employees of a business client, willing to use the mass payroll service, shall be performed under the procedure of the General Terms on Payment Services for Individuals.

3.8. Upon changes in the individuals, authorized to dispose of the amounts on the account, the legal representative of the Client, respectively an empowered by them individual with an authorization, in accordance with the requirements of the current general Terms, shall immediately notify the Bank. In the cases of persons, using also electronic banking, a Data Amendment Card shall be additionally submitted. The Bank shall terminate the payment of amounts under a letter of attorney when the bank has been notified in writing that the letter of attorney has been either terminated or revoked. The Bank shall not be held responsible, when it has not been timely notified in writing of the withdrawal or termination.

#### **Terms and conditions for working with persons authorized by the Client**

3.9.1. Account disposal by a proxy shall be allowed in all branches – in case that the letter of attorney has been input in UBB's Authorities Verification Electronic System. The Account Holder will be able to restrict the proxy's disposal to particular branches, as stated in the letter of attorney. The letter of attorney shall be provided by the empowered person in original or a notarized copy, laid from the original.

3.9.2. Upon disposal of amounts on the account by a proxy, they shall identify themselves with the ID document described in the letter of attorney. The Bank shall also accept the representative's identification with a re-issued document (upon validity expiration of the one, entered in the letter of attorney). The letter of attorney shall clearly indicate the will of the Client for the proxy to dispose of the amounts on the account through the respective payment instrument.

3.9.3. Account opening by a re-authorized person shall not be allowed. Effecting of operations by a re-authorized person shall be allowed only in the cases when the Account Holder has indicated in the initial letter of attorney that the authorized person has the right to re-authorize.

3.9.4. Should the power of attorney contain complicated assumptions, amount limits or other specific restrictions or requirements of the account holder, the Bank may either demand opening of a special purpose account or refuse the rendering of the service to the client.

3.9.5. In case the Bank has not been notified in advance and in writing by the Account Holder that a proxy would appear on his/her behalf, as well as regarding the range of the latter's powers and in case the presented letter of attorney contains texts of vague application, as well as in other explicitly listed in the current general Terms cases, the Bank may refuse the rendering of the service to the proxy without justification of the authorization clauses' interpretation.

3.9.6. Upon a change of persons, authorized to dispose of the amounts in the account, the Account Holder shall immediately notify the Bank in person. In case of non-notification, the Bank shall have the rights pursuant to Art.3.9.7. In addition, a Data Amendment Card shall be submitted, in the cases where the individuals use e-banking.

3.9.8. The bank accepts that letters of attorney for disposing of current accounts and savings deposits also relate to deposits, opened to them.

3.9.9. The Bank does not accept letters of attorney from Clients if the notarization date on the Client's signature is more than 5 years earlier than the date of the proxy's visit to the Bank.

3.9.10. For the purposes of representation through letter of attorney, notarized by a foreign notary, it is necessary that the proxy should personally deposit the letter of attorney at the Bank.

**Letters of attorney with notary certification of the signature, letters of attorney, notarized by the Bulgarian consular officers abroad; letters of attorney, notarized by bodies of the local administration in the Republic of Bulgaria and judges for registration; letters of attorney, notarized by foreign notaries**

3.10. For the receipt of bank payment cards and their personalized protection characteristics, as well as means for authentication for access to e-banking, the Bank does not accept letters of attorney with authentication of the Client's signature performed by bodies of the local administration in the Republic of Bulgaria and judges for registration, under item 83 of the notaries and notary activity act, as well as foreign notaries.

3.11.. The bank accepts letters of attorney for disposal of Client's funds, performed through a proxy with a letter of attorney, notarized by foreign notaries only from the United States of America, Canada and the Member States of the European Union.

3.11.1. Letters of attorney, as well as other official documents, drawn up in a foreign country, shall be presented to the Bank certified in a Bulgarian Embassy or Consulate in the respective country or legalized, respectively accompanied with an "apostille" and translated in Bulgarian by a sworn translator with a notarized signature.

#### **Authorization regarding remote access payment instruments**

3.12.1. Remote access payment instruments (bank cards, e-banking) shall be used personally by the Account Holder, as he/she shall not be entitled to authorize third persons to effect actions with the payment instrument, nor shall he/she cede it to third parties for performing operations with it.

3.12.2. The Bank shall accept proxies to sign agreements on behalf of the Account Holder, as well as to receive a payment instrument and its personalized security features after its issuance/re-issuance by the Bank on condition that the letter of attorney contains an explicit clause about such actions.

3.12.3. The Bank shall not provide a PIN code via SMS to a mobile number, submitted by a proxy. The mobile number of the holder shall have to be submitted by him/her in person at the Bank, otherwise a PIN code shall be provided to the proxy solely in a written form.

3.12.4. The Client has the option to authorize another person with access to the account, of which the former is a holder, through an additional debit bank card, issued to the main one. In case of a request for a card with the service for PIN code receipt via SMS, the code will be sent to the mobile number of the additional card holder, entered in the system upon its opening as a client of the Bank.

#### **Revocation of a letter of attorney**

3.13.1. The revocation of a letter of attorney shall be made in writing and explicitly by the Account Holder as this may be performed personally in any branch of the Bank or through a written notification, sent to the updated head office address of the Bank.

3.13.2. The Bank shall terminate the rendering of payment services based on a letter of attorney, when it has received a notification in writing that the letter of attorney has been terminated or revoked. The Bank shall not be held responsible, when it has not been timely notified in writing of the withdrawal or termination.

3.13.3. The appearance of a new proxy shall not terminate the former proxies' powers.

#### **Letters of attorney for receipt of documents or for submission of signed payment orders**

3.13.4. The legal representative of a business client may empower a person to perform certain activities – for receiving bank documents, depositing of cash and submission of payment orders at the Bank through filling out a standard form of the Bank. The documents, treating the disposal powers, shall have to be signed by the authorizer, while the authorized person shall be their bearer.

#### **Servicing in the bank's branch network**

3.14. Each business client may be serviced in a convenient to them branch of the Bank.

### **IV. ACCOUNT TYPES**

4.1. The Bank shall open the following account types to Business Clients:

4.1.1. Current accounts;

4.1.2. Term deposits to current account;

4.1.3. Accounts of individuals, necessary in terms of profession or economic activity, practiced by them, requiring a registration under the procedure of the Act on BULSTAT Register.

4.1.4. Liquidation accounts for storage of funds of entities in liquidation

4.1.5. Accounts of state budget spending entities;

4.1.6. Retention accounts for storage of funds, provided for establishment of a legal entity

4.1.7. Special accounts for storage of funds of entities with initiated bankruptcy proceedings;

4.1.8. Accounts with a special regime and purpose and with a guarantee function (escrow accounts).

4.2. The Bank may also open other account types, apart from the above described, upon preliminary agreeing the particular terms and conditions with the Client.

4.3. Within the frameworks of the above-described account types the Bank may provide to a particular group of clients target products, which specific terms and conditions are regulated in the respective agreements for these products.

#### **Current accounts**

4.4. The Bank shall open a current account for an indefinite period in the name of the Client, in and from which against consideration fund transfers and deposits shall be received and payments shall be effected within the available amounts.

4.5. The client may use an overdraft on the account up to a preliminary defined contractual limit, based on a separate agreement, concluded with the Bank.

4.6. The Bank offers the service of payroll processing for the employees of a business client from the latter's current account, as for this purpose the employees shall have to be holders of accounts with debit cards, issued to those by UBB or by another local bank.

#### **Term deposits to account**



4.7. Agreement for a term deposit to an account may be signed on condition that the Client is a holder of a current account in the same type of currency, in which he/she wishes the term deposit to be opened. The individual features of the selected deposit type shall be indicated in the respective agreement and the Tariff.

4.8. The disposal of the deposit shall be made through the account, to which it has been opened.

4.9. On the maturity date the Client may select one of the following options:

4.9.1. To renew the deposit over the same period, as the principal shall include also the accrued interest from the previous period;

4.9.2. The deposit may be renewed for the same period with the amount of the initial principal, as the accrued interest could be posted to the account, to which the deposit has been opened;

4.9.3. To terminate the deposit, as the principal and the accrued interest may be posted in the account, to which the deposit has been opened;

4.9.4. For separate deposit types the Client may select the accrued interest to be posted to an account, different from the account to which the deposit has been opened.

4.10. The Client may terminate an Agreement for a term deposit, without penalty in the accrued interest, on the date specified in the Agreement. If this date is a non-business day, the closing shall be performed on the first business day, following the date of the period's expiry.

4.11. Upon early termination of the agreement or upon enforcement actions, the Bank shall accrue interest on the amount for the time of its actual staying on deposit at a reduced interest rate, determined in the Interest Rates' Tariff.

4.12. In case of termination of an agreement for a term deposit in foreign currency the amount, which is smaller than the smallest denomination banknote in the respective foreign currency, shall be paid in BGN equivalence according to the buy exchange rate of UBB.

### **Retention Accounts**

4.13. The Bank shall open retention accounts for the following purposes:

a. capital raising for incorporation of a legal entity;  
b. for increasing the capital of an already established legal entity;

c. for raising the full amount of the company's capital increase, as registered with the respective District Court

4.14. In case a Client requests opening of a retention account in a foreign currency, other than euro (EUR), he/she agrees to take the risk of a change in the exchange rate, which may result in a change in the value of capital.

4.15. Disposal of funds, deposited in a retention account for incorporation of a legal entity shall be made after presenting in the Bank a Certificate from the respective competent body that the company has been established and the establishment has been properly registered. No partial disposal of funds shall be allowed.

4.16. In case within a 3-month period of opening the account the respective management body fails to certify before the Bank, that the company has applied for registration before the Registry Agency, depositors may withdraw the installments they have made in full amount.

### **Liquidation accounts for storage of funds of entities in liquidation**

4.17. UBB shall open liquidation accounts with holder-entities, for which there is an initiated liquidation procedure. A liquidation account agreement shall be signed with the client. For the purpose of opening a liquidation account a copy of the act for declaring liquidation and appointing of liquidators shall be presented, certified by the authority, which has issued it and a specimen of the liquidators' signatures.

### **Special accounts for storage of funds of entities with initiated bankruptcy proceedings**

4.18. UBB shall open special accounts to entities undergoing bankruptcy proceedings. A Special Account Agreement shall be signed with the Client. For opening a special account a court-certified copy of the ruling for opening bankruptcy proceedings and appointing an assignee in bankruptcy shall be presented, as well as a specimen of the signature of the assignee in bankruptcy.

### **Accounts with a special regime and purpose and with guarantee functions**

4.19. Accounts with a special regime and purpose shall be opened after preliminary coordination with the Bank if the Account holder wishes UBB to monitor the fulfillment of particular disposal schemes, incl. justification, administration of the performance of deals of substantial value, where the Bank acts as a guarantor for payment of the amount upon proving certain conditions.

4.20. The Bank shall open such accounts upon submission by the parties under the deal of a written request, describing the deal, its purpose and the Bank's guarantor function.

### **Interest terms**

4.21. The Bank shall accrue interest on the account balance, in accordance with the interest rate, applicable to the specific account type, indicated in the IRT. Amounts below the minimum balance, specified in the FCTBC, shall not bear interest.

## **V. TERMS AND CONDITIONS FOR EFFECTING PAYMENTS**

5.1. Account funds shall be disposed of through payment documents, containing all required by regulations essential requisites, as well as regulated remote methods for effecting transactions through bank cards and e-banking, while observing the specific characteristics of the separate account types, the legal requirements and the terms and conditions of the Bank.

5.2. The Bank shall effect payments from the account only by order of or upon the preliminary consent of the Account Holder, under the terms and conditions set by the latter, up to the available account balance and the approved overdraft. The Bank shall not perform partial payments under separate orders or requests for payment. An exception to these rules shall be made only for enforcement actions as provided for by law, in the cases of ex-officio collection under the procedure of Ordinance № 3 of the BNB, as well as upon refunding amounts received in the account as a result of error or incorrectly effected operations (ex-officio rectification transfers).

5.3. The Bank shall effect the payments in the chronological sequence of receiving payment orders / request, except for the cases of enforcement collection of receivables and ex-officio rectification transfers.

5.4. The types of payment operations, performed by the Bank, are, as follows – withdrawal and depositing of cash; ordering and receiving credit transfers; mass payroll order for crediting the accounts of a business client's employees, ordering and receiving cash transfers; giving a consent for direct debit; ordering and receiving direct debit requests; payment operations with a card.

#### Expenses

5.5. The Bank shall accept for execution credit transfers with the following instructions in terms of expenses:

5.5.1. Shared (SHA) – the payer and the beneficiary shall pay the fees and commissions respectively to the payer's bank and the beneficiary's bank, as the correspondent bank may deduct expenses from the fund transfer amount.

5.5.2. At the expense of the payer (OUR) – the payer shall pay all fund transfer fees, including those of the beneficiary's bank;

5.5.3. At the expense of the beneficiary (BEN) - the beneficiary shall pay all fund transfer expenses, including those of the payer's bank.

5.6. The restrictions on determining the expense allocation manner are specified in the Bank's Tariff, Fund Transfers Section.

5.7. The client shall undertake to pay all fees, commissions, interest and other due amounts, as indicated in the Tariffs of the Bank, including exchange rate differences (in case the Bank performs currency conversion upon a received transfer in a currency, different than the currency in which the account is maintained).

#### Authorization of payment operations

5.8. A payment operation is considered authorized from the moment, in which the Client (Payer) has:

5.8.1. Submitted a duly signed payment order (upon effecting a credit transfer or cash operations), submitted a mass payroll order (for transfer of salaries) or has given a written consent in a branch of the Bank (upon effecting a direct debit) or

5.8.2. With a remote method she/he has:

a. Submitted a payment order or has given consent through the e-banking or mobile banking channel, while observing the specific requirements for operation through this channel;

b. payment operations with a card are allowed after giving consent and identification of the empowered card holder in one of the following ways:

- Upon transactions at ATM - through entering a PIN;
- Upon transactions at a POS terminal - through signature on the receipt from POS and/or entering a PIN;
- Upon payments without the physical presence of the card - for mail/telephone orders - through entering a three digit code, printed on the back of the card (Card Verification Value /CVV/ or Card Verification Code /CVC/);
- Upon payments without the physical presence of the card for payment of goods and services at Internet traders: - for traders who do not support the 3D Secure protocol, recognized under the trade mark "Verified by Visa" or

"MasterCard Secure Code" - the number of the card, the validity date, a three digit code, printed on the back of the card (Card Verification Value /CVV/ or Card Verification Code /CVC/); - for traders, who support the 3D Secure protocol, recognized under the trade mark "Verified by Visa" or "MasterCard Secure Code" - the number of the card, the validity date, three digit code, printed on the back of the card (Card Verification Value /CVV/ or Card Verification Code /CVC/) and 3D secret code, entered upon use of the "Secure Internet Payments" service.

- Received sound and/or light confirmation for accepting the payment order (upon contactless payment at a terminal device, designated with the contactless payment logo up to a maximum amount, determined by the relevant card organization);
- Upon receipt of a payment order at the Bank, sent by the Client through a payment initiation service provider (PISP).

5.9. The Bank shall perform the payment operations under Item 5.4 of this Section, while keeping the cut-off time for receiving orders, the deadlines for execution and fee allocation principles, specified in FCTBC. When the payment order has been received on a non-working day or received on Saturday (in the branches of the Bank, which are open on Saturday), it shall be considered as received on the next working day.

5.9.1. In case by the cut-off time for receipt of payments to be processed within the current day, there is no balance provided in the account in order to effect the payment order, the Bank shall return the payment document to the Client or shall make it available for her/him in the branch where it has been submitted;

5.9.2. A payment order through e-banking shall be submitted once-off for processing in the Bank's accounting system. UBB provides information on the result from the processing, as the Client may receive it through e-banking, Payments menu, E-Documents, List of ordered documents, after opening the form of the respective payment order.

5.9.3. An order for a direct debit shall be submitted within business hours for work with clients of the Bank's respective branch, on condition that the payer is the holder of the current account with UBB. No cancellation of the order shall be possible after its receipt by the Bank.

5.9.4. The client may submit to the Bank his/her consent for direct debit, in which she/he may indicate terms and conditions under which the Bank is to debit her/his account upon a beneficiary's order. A copy of the consent shall be sent to the beneficiary.

5.9.5. The client may submit a mass order for payroll of its employees, as for this purpose she/he/it has to provide in advance an electronic file or a hard copy list of its employees' data.

5.9.6. The client may cancel the payment and withdraw the submitted payment order only if its account has not been debited up to the moment of withdrawal. The bank administration costs for the cancellation shall be at the expense of the Account Holder and up to an amount, as determined in the effective FCTBC.

5.10. After a written notification to the Account Holder, the Bank may refuse to apply some of the forms for cash or electronic payment on account, including to refuse the effecting of a transfer in foreign currency in order to observe international requirements or risk limits of the Bank, as well as unfulfilled obligations under contractual relations with UBB.

5.11 The Bank reserves itself the right to change the cut-off time specified in the Tariff for receipt of payments, of which it shall notify the Client, according to the terms and conditions of Section I hereunder.

#### Additional documents

5.12. In case of cross-border fund transfers, as well as in case of payments between residents and non-residents within this country's territory, all documents, required pursuant to the Foreign Currency laws shall be provided.

5.13. Pursuant to the effective legislation and upon request by the Bank, the Client shall present a written declaration on the origin of funds.

#### Currency conversion

5.14. Upon a received or ordered fund transfer in foreign currency, different than the currency in which the account is being maintained, the Bank shall perform ex-officio currency conversion (arbitration) upon terms and conditions, specified in FCTBC.

5.15. Information on the exchange rates, applied by the Bank during the execution of payment operations, can be obtained in the banking halls and through E-banking, as the used exchange rate shall be the one valid as of the transaction's time.

#### Right of refusal to effect ordered payments and ex-officio operations

5.16. The Bank may refuse to effect a payment order in case of ambiguity in the representative power of the person, submitting the payment order; unclear or illegibly filled in documents; lack of required documents relating to the payment; imprecise instructions; availability of international sanctions in relation to individuals, institutions or countries, related to the order, submitted by the Client, etc. The Bank does not accept customers involved in any kind of virtual currency activities (crypto currencies, bitcoins, etc.) and does not provide payment services related to such currencies, including, but not limited to any crypto currencies platforms.

5.17. In case since the latest active operation on account a period of over six months has elapsed (or other period according to the Bank's judgment), UBB shall apply additional measures for identification of the Client's representative, including also photocopying an identity document.

5.18. In case of erroneously received funds in an account of another holder due to an error of a Provider of payment services and regardless whether the Client is the payer or beneficiary of the transfer, the Bank shall be entitled to debit ex-officio the account with the amount of the incorrect transfer, by notifying the Client of the performed corrections. When funds have been received in the account as a result of fraud, the Bank shall be entitled to debit ex-officio the account with the respective amount and to effect an ex-officio rectification transfer to refund the improperly received amounts in an account of the payer or in an account of the payer's supplier of payment services, regarding which the Client gives her/his unconditional and irrevocable consent by accepting these General Terms and by signing the account agreement.

5.19. On the grounds of Ordinance № 3 of the BNB UBB is entitled to collect ex-officio from the account amounts, payable to it by the Account Holder, under receivables of UBB (i.e.: payment of interest, repayment installments under loans and credit cards, expenses for notification and collection of receivables, etc.), as well as under fees and commissions, payable to it by the Account Holder for rendered banking services, pursuant to the Tariffs, as of the moment of the amounts' deduction. If there are no funds in the particular account, the amounts may be collected from all other BGN or foreign currency accounts of the Account Holder with the Bank. In case the currency in the account/s is different than the currency of the debt, the Bank shall be entitled to purchase an amount equal to the amount of the debt (at the exchange rate of UBB for the debt currency), by also deducting the expenses made.

## VI. REMOTE METHODS FOR ACCESS TO ACCOUNTS AND EFFECTING OF PAYMENTS

### General principles for issuing, using and closing of remote access payment instruments

6.1. Each Client may also dispose of his/her/its accounts remotely, by using remote access instruments, as follows:

6.1.1. E-banking - after conclusion of a separate Agreement for e-banking.

6.1.2. Debit/credit cards for business clients - after conclusion of a separate Agreement for issuing of a debit card and/or separate Agreement for the issuing of a credit card.

6.2. The Bank shall issue the payment instrument, for which an agreement has been signed and shall deliver it to the lawful representative/ proxy together with the respective protective means (PIN code, certificate, password, etc.), while ensuring its keeping secret from its employees and third parties;

6.2.1. Bank cards shall be issued within 3 business days after signing the respective agreement.

6.2.2. The generated passwords for e-banking on hard copy are provided to the Client within a term of 5 (five) work days after their declaration.

6.2.3. UBB offers the following options for obtaining a PIN code to its clients using bank payment cards:

- on a hard copy for Clients, who have explicitly stated this manner of receipt;
- via SMS to a mobile number, submitted by the Client at the Bank in person, as the bank payment card shall be provided to the Client

together with a letter with instructions for the necessary steps to receive a PIN via SMS..

6.3. Upon effecting transactions, the Client shall undertake to observe the security instructions for the respective instrument, given by UBB and shall monitor its periodic updating on the Bank's web site.

6.4. The remote access payment instruments shall be used only personally by the individuals, authorized by the Client (representatives by law or by proxy), with no third party authorization possibility.

6.5. The Client shall undertake to use the payment instrument issued to him/her and the respective means for its use and to store them duly and safely, by protecting them from being lost, stolen, forged, from unauthorized access, or usage in another illegal manner, destruction, breaking, scratching, de- magnetizing or other similar actions, making them unfit for use.

6.5.1. Each Client shall be obliged to regularly monitor the transactions with a remote access payment instrument and their reflection in the the accounts in the Bank, as described in item 5.9.2.

#### **Notification in case of suspicion for illegal use and blocking**

6.6. In case of suspicion for illegal use of a payment instrument the Client shall immediately notify the Bank in view of undertaking the respective measures (blocking of the instrument, its re-issuing with a new number, change of a PIN code, etc.)

6.7. The Client shall immediately notify UBB of a destruction, loss, theft, some other unlawful deprivation, forgery or illegal use, disclosure of the secrecy of the respective means for access and authentication, related to the payment instrument (PIN code, passwords, client numbers, etc.), as well as of performing an operation with the payment instrument, which has not been authorized by the Client and of an error or irregularity in administering the account, found by him/her.

6.8. After notification in accordance with Item.6.6 the Bank shall block the payment instrument.

6.9. In case that the client uses the e-banking service, the notification may be performed through one of the following 2 channels: At the Client Contact Center's phone number stated at [www.ubb.bg](http://www.ubb.bg) or at a branch of the Bank, by submitting a data change form.

6.10 Upon availability of **objective reasons\***, the Bank may re-issue/block the payment instrument, while notifying the Client as soon as possible.

\* **Objective reasons** means: Inclusion of a card in a list with compromised payment instruments, received by ICO or the presence of data for use of the card on devices, for which the Bank has information that they have been subject to manipulation; presence of a technical problem with a batch of cards; pre-term massive reissue, due to migration to a new standard or to a new software system, etc.

6.11. If the authorized holder enters three consecutive times a wrong PIN, the use of the card for transactions, based on PIN, is blocked automatically. Upon an attempt for additional use of an ATM, the card may be retained by the device.

6.12. Upon a forgotten PIN, and a request by the Client, submitted in writing at a branch of the Bank or via the Contact Center, the Bank will issue a new PIN on a hard copy or re-issue the card with a PIN sent via SMS, for which the Client will pay a fee, in accordance with the Tariff.

6.13. Unblocking of a payment card - permit for performance of operations with the card, after expiration of the reason for blocking. The request for unblocking is submitted as follows:

- In an office of the Bank - the unblocking comes into effect up to 4 /four/ work hours from the receipt of the written Request from the Client in an office of the Bank.
- Through e-banking (for cards serviced through authorization system of UBB) - may be performed only for a card, which has been blocked by the Client through e-banking. The card is available for use immediately after its unblocking by the Client.
- Through the Client Contact Center

6.14. The Client's access to e-banking, as well as the performance of payment operations through e-banking may be blocked unilaterally by the Bank under the following conditions:

- For objective reasons, related to the security of the identification data or of the system and/or upon reasonable suspicion for unauthorized by the Client orders, submitted through e-banking through the use of the means of authentication.
- When the Client or a representative of theirs breaches with their actions the requirements of the active normative acts, of the current General Terms, endangers the security and the correct functioning of the service.

6.15. The bank shall notify the Client about the blocking of access/performing of payment operations and about the reasons, if possible, before the blocking or at the latest - immediately after that, unless the provision of such information is not allowed due to security considerations or the adherence to the normative requirements.

#### **VIA. ACCESS TO A PAYMENT ACCOUNT FOR THE PURPOSES OF SERVICES FOR INITIATION OF PAYMENT AND SERVICES FOR PROVISION OF INFORMATION ABOUT AN ACCOUNT**

6.15.A. When the payment account of the Client is accessible online, the Client has the right to grant third parties access to their payment account - suppliers of payment services for initiation of payment and payment services for provision of information for an account.

6.15.B. The client has to take reasonable care when choosing, assigning and using an AISP or PISP.



6.15.C. The Bank is not a party under the agreement between the Client and the respective AISP/PISP. The Client is entirely liable for the choice of AISP/PISP for determination of the conditions, under which the respective suppliers shall provide them such services, as well as to secure that these suppliers shall adhere to the relative to them arrangements between the Bank and the Client, related to these services. More specifically, the Bank shall accept incoming payment orders, related to a payment account of the Client and requests for information for a payment account of the Client, submitted through AISP/PISP and provided that it successfully identifies the Client, as outgoing from the Client. The Bank bears no responsibility for the provision by the Client to AISP/PISP of their personalized means of access to the payment account with the Bank. Supplier of payment services under provision of information for an account (AISP) does not have the right to submit orders for execution of payment operations from a payment account of the Client with the Bank.

6.15.D. The Bank has the right to refuse AISP/PISP access to the payment account in case that it establishes or has reason to think that it is present with unauthorized access or access to the payment account of the Client with fraudulent intent by AISP/PISP, including unauthorized initiation of a payment operation or initiation of a payment operation with fraudulent intent. In the cases described in the previous sentence, the Bank shall take the necessary measures to inform the Client, unless when the provision of such information is not allowed due to security considerations or in light of the adherence to normative requirements, obstructing the informing of the Client.

## VII. E-BANKING

7.1. UBB clients have access to the e-banking (Internet banking on an electronic address <https://ebb.ubb.bg>), 24 hours a day, without a day off, as the payment orders are executed during the Bank's work hours, in accordance with the designated in the Tariffs dead lines for accepting and processing of BGN and currency transfers. The conditions, the instructions for use of the service and the technical requirements for the use of the service are published on the web-site for e-banking in the sections "Security", "Frequently Asked Questions" and "Help".

7.2 Upon signing the Electronic banking agreement with the Bank, the Client shall sign a "Registration card for electronic banking", stating the numbers of the accounts, for which he/she/it wishes to receive information and/or effect banking operations through the Electronic banking channels, as well as the individuals that will operate with those and their rights for access to the system.

7.3. In order to use the e-banking services, the Client shall also provide a mobile number for the authorized by them individuals, necessary for the receipt of SMS passwords/codes for activation and verification.

Upon log-in into the system for e-banking for the execution of active operations, the Client shall identify themselves by:

- a) user name, password for access to e-banking and a one-off password, received as an SMS or generated by a hardware device, owned by UBB or by a mobile application for the operational systems iOS and Android.
- b) A certificate, issued by the Bank or a Qualified Electronic Signature (QES), registered in the system for

e-banking of UBB until the 1st of June, 2017, in combination with the means described in item 7.3.1. "A". The use of a digital certificate is optional

7.3.2. The signing of orders for payment operations is performed with user name and password for access or with a digital certificate (issued by the Bank/QES) For the confirmation of specific financial transactions, necessary is an additional entering of:

- a) One-off password, generated by a hardware device, owned by UBB or by a mobile application for operational systems iOS and Android; or
- b) Uniquely generated dynamic code for the respective payment, received by SMS on a mobile number to a Bulgarian mobile operator, designated by the Client; or
- c) A combination of the previous two.

The Bank reserves its right to dynamically change the list of transactions, requiring use of additional means of authentication, publishing it in section "Frequently Asked Questions".

7.3.3. In order to enter the system for passive operations (references) it is only necessary to enter a user name and password for access.

7.4. The signing of the statements of the Client to the Bank before the execution of operations in the system for e-banking through the means of identification and signature, in accordance with the specified in art. 7.3.1. and 7.3.2. has the effect of an electronic signature as per the Electronic Documents and Electronic Authentication Services Act (EDEASA), as - pursuant to art. 13, paragraph 4 of the EDEASA - the Bank and the Client agree that they will consider this signature for handwritten in their relationship.

7.5. The services of Electronic banking shall be used only upon the order of the Client's lawful representative. Authorization for use of the service for e-banking is performed if the requirements of the current General Terms are met. The bank shall be entitled to refuse acceptance of a letter of attorney, containing data which is incorrect, unclear or in discrepancy with such, contained in clauses of other provided documents.

7.6. Electronic banking offers the following services:

- Information for the updated balance of accounts;
- Information for account movements;
- Information for deposits and loans
- Information for unaccounted card transactions
- inquiry for POS transactions for legal entities;
- inquiry of initiated direct debit transfer orders;
- information about FX rates;
- ordering of intrabank, interbank and mass payroll transfers, as well as direct debit transfer orders;
- processing of received transfer orders for direct debits; cross-border transfer orders;
- Purchase-sale of currency between accounts of the Client on the Bank's exchange rate for the day;
- Import of files with paid transfers
- Request for cash desk withdrawals
- submitting of orders for trade in securities, for which an agreement for brokerage services has been concluded in advance
- Change of password for access to the system
- payment of liabilities for local taxes and fees

7.7. The Bank shall reserve itself the right to add new and amend the above listed services, by informing its clients through the respective channels, listed in item 2.1.

7.8. The Bank has the right to set limits upon the execution of payment operations through e-banking and to impose other limitations, as well as to establish additional requirements, including procedural, when this is necessary due to the requirements of the effective legislation or maintenance of a level of security, in accordance with the technical standards and conditions for e-banking.

7.9. Each change in the regime of work with e-banking is executed after submitting the Data Amendment Card with the necessary changes, signed by the Client or by the duly authorized by them individual if the authorization requirements listed in the current General Terms are met, and deposited in a branch of the Bank.

7.10. Transfers through the electronic banking channels shall be effected, while observing the following terms and conditions:

7.10.1. Transfers between residents and non-residents, as well as cross-border transfers shall be effected while observing the requirements of the Currency Act and the enactments on its application. In case that in accordance with the effective laws additional documents, apart from the statistical form, are required (document-detailing the reason for effecting the transfer, declarations for financial loan and others), these shall be provided to the servicing branch, from which the Client disposes of its account, by 15.30 h. on the current day;

7.10.2. The bank may demand the provision of additional documents in electronic form or on a hard copy with regard to the execution of a specific transfer order by the Client, in accordance with the requirements of the active legislation.

7.10.3. Payment documents with specified future value date for execution shall be processed on the date indicated in the payment document, as the processing shall be effected automatically one- off at the beginning of the system day, upon ensured sufficient available balance in the account as of the end of the previous day.

7.11. The Client receives information after execution of an operation, as it is their personal responsibility to regularly acquaint themselves with this information, as detailed in item 5.9.2.

### Mobile banking

7.12. Upon signing an e-Banking agreement the Client is being provided with the opportunity to make inquiries on the accounts, requested for access via e-Banking, as well as to effect particular transactions via the specialized application for mobile devices on iOS and Android operating systems, called Mobile Banking.

7.13. The instructions and technical requirements on installing and using the application, as well as the comprehensive list of transactions and services, accessible through the mobile application, are described in e-Banking Channels section on [www.ubb.bg](http://www.ubb.bg), as well as in *Security Recommendations* and *FAQ* sections of the specialized mobile banking application.

7.14. The rules and regulations for e-Banking in the present General Terms shall also be applicable to the mobile banking, unless indicated otherwise herein or in the e-Banking agreement.

7.15. In order to activate the Mobile Banking application, the Client shall authenticate himself/herself by entering his/her user name, login password and code, sent to his/her mobile phone, valid for e-Banking. For access, inquiries, registration for services and placing payment orders to the Bank the Client shall authenticate himself/herself by entering the PIN code or finger print and an embedded software token set for the mobile application upon activation.

7.16. The signing of a Client's instructions to the Bank during the execution of operations through the mobile banking application via a PIN code or a fingerprint login shall have the effect of an electronic signature within the meaning of the Electronic Document and Electronic Authentication Services Act (EDEASA), as, on the grounds of Art. 13, Para.4 thereof the Bank and the Client shall agree that in their mutual relations they shall deem such signatures handwritten.

7.17. In case the Client operates with the specialized application through a compromised (rooted or jailbroken) device, upon each and every login in the application there will be a warning message on the screen of the device. The Bank shall not be held liable for payment operations, effected through using the specialized application from a compromised (rooted or jailbroken) device.

## VIII. BANK CARDS

8.1. The Bank payment card is a type of a payment instrument, on which information is electronically written and is used multiple times for identification of the authorized holder, to which the card is issued and provides remote access to the funds in a bank account and/or to a previously determined credit limit, agreed upon between the Client and the Bank.

8.2. The Bank (also referred to in this Section as Issuer) shall issue bank payment cards with requisites, in accordance with the standard requirements of the respective international card payment organization (ICO) and with a Personal Identification Number (PIN code), while for Visa and MasterCard cards also printed (embossed) name of the Cardholder on the front side. Bank cards, issued by UBB, may be used in Bulgaria and abroad.

8.2.1. The cards shall be issued together with a four-digit Personal Identification Number /PIN/, which is unique and known solely by the Client. The Personal Identification Number / the PIN code shall be provided via SMS to a telephone number stated by the Client in person, or on a hard copy, if the Client has explicitly indicated that.

8.3. The card is issued for a specific period, as the period of validity of the card is written in MM/YY (month/year) format on the front side of the card and expires on the last calendar day of the listed month.

8.4. To a payment account of a Business client, the Bank issues to designated by them individuals (card holders) international debit company cards with the logo of the International Card Organizations (ICO) VISA and MASTERCARD

8.5. For issuing of company cards the Client shall sign an Agreement and an Application form in a sample format, in which he/she shall provide to the Bank the data, needed for issuing cards.

8.6. In order to have company debit cards issued the Client shall have to be a Holder of a current account. Several company debit cards to the account may be issued to cardholders, specified by the Client. Cardholders shall receive their cards in person and shall be responsible for the card storage and use. Cardholders may dispose of the funds in the account of the main Holder only through the issued debit cards.

8.7. The card is property of the Issuer and shall be provided for use to the Cardholder after signing an agreement and other necessary documents.

8.8. To each Cardholder UBB AD General Terms on Payment Services for Individuals shall also apply, stating the operations that may be effected with a card, as well as specific rights and obligations of the parties.

8.9. The Client shall be held responsible before the Bank for all transactions, effected with the cards, issued to the nominated by him/her individuals.

## IX. RESPONSIBILITIES OF THE PARTIES

### General provisions

9.1. The bank shall not be held responsible for deals and legal relations, with regard to which the respective payment instrument or bank account is being used. The client shall be held responsible for all actions and obligations, originating from the use of a payment instrument or a bank account, including after terminating the agreement.

9.2. The Client shall be obliged to use the bank account, opened by the Bank, or the payment service, provided by the Bank, in compliance with the effective legislation, these General Terms and the applicable special terms for the respective bank account or payment service. The Client shall be obliged to act with due care, as she/he shall neither use the bank account or payment service, nor shall he/she permit third parties to use those for performing actions or achieving goals that are prohibited by law or may infringe upon the Bank's reputation.

9.3. In case of imposing restrictions on the part of local or foreign government authorities, which impede the effecting of a transaction and block the latter, UBB AD shall inform the Client immediately as well as render him/her the necessary assistance.

9.3.2. UBB AD shall not be held liable for transaction amounts, blocked due to order of either local or foreign government authorities, in accordance with imposed restrictions.

9.4. The Bank shall be entitled to block at any time the utilization of the account by the Client, including blocking entirely or partially the available funds in the account, as well as the payment instruments, used to access the account, in case of information that funds have been received in the account as a result of a fraud. For this act of the Bank the Client gives her/his unconditional and irrevocable consent by accepting these General Terms and signing the account agreement.

9.5. The Client shall be held responsible for orders, submitted by individuals, who have not been duly authorized through the Client's fault, such as: for example, who have presented a letter of attorney, compiled by the Client and containing vague provisions or individuals, to whom a payment instrument has been provided by the Client, which instrument is intended for personal use only.

9.6. The user of payment services, who has ordered the payment, shall be held responsible for the consequences occurred as a result of the wrongful or imprecise filling in of payment documents. Upon submission of an order for mass payroll to its employees, the client shall bear responsibility for the full correspondence between the submitted file/list of the employees' data and the completed payment order.

9.7. The Bank and the Client shall not be held responsible for the non-performance on their obligations in relation to an agreement for using a payment instrument or a payment account, having occurred as a result of extraordinary technical reasons, such as information systems' failure, communication lines' disruption, electricity outage and others, as well as in case of extraordinary circumstances, such as natural disasters, general strikes, technical malfunctioning, which are beyond their control.

9.8. The bank shall not be held responsible, in case a payment operation has been refused due to technical or communication reasons in the systems of other operators, banks or other entities, involved in the payment process.

9.9. In the cases of remote submission of payment orders, the Bank shall maintain an archive of the conversation with the Client and all initiated operations through the respective channels. As a proof in case of chargebacks the archived data for each effected operation shall also be reviewed.

9.10. In case of a disputed payment operation on the part of the Client, the latter shall bear the burden of proof that either its execution has not been authorized by it and/or that the operation has been imprecisely executed by the Bank. The Bank and the Client shall agree that in the cases when the Bank has registered utilization of a payment instrument through its personalized security features, those shall be considered sufficient evidence that the payment operation is authentic and has been authorized by the Client, unless proven to the contrary by the latter.

9.11. In the cases when the Bank is held responsible for imprecisely effected, erroneous or unauthorized operations, in order to engage its responsibility, it is a mandatory condition for the Client to have informed the Bank without unjustified delay of the imprecise, erroneous or unauthorized transaction, after receiving information about its effecting.

9.11.1. Notification without unjustified delay shall mean the same will be done no later than 1 (one) day from the moment when the Client has found out for the executed, but unauthorized by them transaction;

9.11.2. In the cases when the Client has concluded an agreement for electronic banking with the Bank, unjustified delay shall be considered the expiry of more than 1 (one) day of effecting the disputed payment operation.

9.11.3. In all cases unjustified delay shall be considered the expiry of more than 14 (fourteen days) from the moment, in which the Client has received or respectively could have received (had such option been chosen) a statement on the movement on its account.

9.12. The Bank shall be held responsible for the damages, inflicted upon performing of unauthorized or imprecisely effected operations upon the use of a payment instrument, on condition that all individuals, using payment instruments on behalf of the Client, have performed on their obligations for protecting the

personalized security features of the payment instruments and their obligations, listed in the current General Terms.

9.13. The Bank shall not be held responsible, in case representatives/ employees of a Business Client have acted with the aim to commit fraud or they have not observed their obligations for protecting the payment instrument and/or of its personalized security features and/or and the timely informing due to malice or utter negligence. Utter negligence shall mean the following non- exhaustively listed cases of failure to protect either the payment instrument and/or its personalized security features on the part of the Client:

9.13.1. The Client has failed to observe the requirements and the recommendations of the Bank, described in Security Section, published at the Electronic Banking page or the security recommendations, described in the Mobile banking application , with regard to payment operations, effected through electronic banking. The Client is obliged to inform himself/herself on a regular basis about amendments and supplements to those recommendations, as well as to observe them;

9.13.2. The Client has allowed the disclosure to and utilization by a third party of the former's means for electronic authentication, described in detail in Item.7.2 and 7.3 with regard to payment operations, effected through electronic banking.

#### **Imprecisely ordered payment operations – imprecise unique identifier (international bank account number – IBAN)**

9.14. The Bank shall not be held responsible for reimbursement of the amount of a payment operation in case of a valid, but incorrectly stated unique identifier on the part of the payer. In this case the Bank shall employ reasonable efforts in view of reimbursing the amount of the payment operation, for which the Client shall owe a fee, as specified in the Bank's Tariff, irrespective of the reimbursement efforts' outcome.

Imprecise text data

9.15. In the cases when imprecise text data has been stated upon effecting a fund transfer, the stated unique identifier (IBAN, with respect to bank accounts) shall have a priority.

#### **Imprecisely and wrongly effected payment operations**

9.16. The bank shall be held liable for consequences, occurred as a result of imprecisely effected orders of the Client.

9.17. When as a result of imprecisely effected by the Bank, but correctly filled in payment order, an account with an account holder, different than the stated in the payment order, has been credited, the Bank shall reimburse to the payer the amount of the imprecisely effected payment operation by the next business day, after it has been notified by the payer or after it has established the error itself, by initiating a rectification transfer through the beneficiary's provider of payment services.

9.18. In case the client is a beneficiary of an imprecisely effected transfer, as a result of error of another payment institution, the Bank shall be entitled to effect a rectification transfer upon the request of the payer's provider of payment services within one month of the date, on which the payer's provider of payment services was informed of the error. The Bank shall make the correction within 5 days of receiving the rectification request from the payer's provider of payment services.

#### **Operations unauthorized by the user of payment services**

9.19. In case of a payment operation disputed by the Client, the Bank shall refund to him/her the amount subject to the unauthorized operation if it has been informed by the Client about the unauthorized payment operation in line with these General Terms and if the Client has proven that the payment operation has not been authorized by him/her and/or has been performed inaccurately by the Bank in accordance with art.9.10. of this Section. The Bank shall not be held liable for, nor shall it reimburse amounts to Clients, when the latter have failed to observe their obligations for safekeeping the payment instrument and/or its personalized security features and/or the timely notification due to malice or utter negligence.

9.20. The Bank shall refund to the Client the value of the unauthorized operation and when necessary, shall restore the account of the Account Holder to its state preceding the unauthorized operation, in accordance with the stated in this section, within a period of up to 40 (forty) days of receiving the notification.

9.21. The Bank shall ensure to the Client the possibility of informing it of unauthorized transactions at any time night and day, including on non-business days.

9.22.1. In case unauthorized transactions have been effected after the moment of notification, the Client shall not bear any financial damages, unless it has acted through fraudulent means.

9.23. The establishing of malice or utter negligence in relation to observing the Bank's instructions for protection of the payment instrument may also be effected through: investigation by the Bank; through litigation; upon investigation by police authorities or international card organizations (for payments with cards), before which a chargebacks procedure has been initiated. The Client shall provide its consent to render full cooperation for clarifying the circumstances subject to check.

9.24. In case of unsubstantiated chargebacks on the part of the Client, proven through the respective procedure, for transactions, actually effected by it or contesting the amount of such transactions, the Bank shall be entitled to terminate its relations with the Client, with regard to any used product, including also by making several or all of its receivables from the Client callable ahead of schedule.

### **X.TERMINATION AND CANCELLATION OF AGREEMENTS FOR ACCOUNTS AND PAYMENT INSTRUMENTS**

#### **Terminating an account agreement**

10.1. In case the particular account agreement does not have a specified period or a special condition for termination, the Client may terminate the account



agreement at any time without notice, on condition that, it does not have liabilities to the Bank or distraintment imposed on the account. For the purpose the Client shall submit in the Main branch a request for account closing, according to a sample form of the Bank.

10.2. In case there is a distraintment imposed on the account, the Bank shall effect the order to close the account after informing the authority, which has imposed the distraintment and in case it has not received any order, impeding the account closing.

10.3. The bank may close an account, as follows:

10.3.1. with a written advance notice of 14 (fourteen) days, without providing the arguments for its decision, sent to the most recent address provided by the Client. In case the client is not found twice on different days at the address, the advance notice shall be considered as delivered.

10.3.2. After expiry of the period, for which the account has been opened or occurrence of a resolutive clause, specified in the agreement.

#### **Termination of an agreement for electronic banking**

10.4. The agreement for electronic banking is signed for an indefinite period of time. The agreement shall specify a period for termination with a notice by either the Client or the Bank.

10.5. In case of submitted notice for termination of the agreement, the Bank shall execute the operations ordered by the Client before receiving the notification.

10.6. Upon termination of the agreement the Client shall be obliged to return all devices, received from the Bank in relation to using the payment instrument.

#### **Termination of an agreement for company debit cards**

10.7. Agreements for company debit cards shall be terminated with:

10.7.1. An advance notice in writing by the Client for refusal of the card's re-issuance, submitted one month before expiry of the card's validity period;

10.7.2. During the cards' validity period, with a one-week notice in writing by the Client, as all issued cards shall have to be returned upon submitting the notice. The Client shall be held responsible for all transactions under all issued cards by its request, posted in the Bank, irrespective whether their financial presentation in the bank succeeds the Agreement's termination date.

10.7.3. An advance notice in writing for terminating the agreement for issuing of company cards, in case of disagreement with the limits, fees or interest rate terms, defined by the Bank, within a 2-week period of the first notice pursuant to the procedure of Item 2.3 of Section II of these General Terms, as the Client shall be obliged to return all cards as of the moment of submitting the notification and repay all amounts, due to the Bank.

10.7.4. unilaterally by the Bank – if the client does not come to receive a new Card within 3 /three/ months after expiry of the validity period of the old card or if the Client violates contractual clauses or these General Terms;

10.7.5. After the expiry of a debit card, the Bank shall reserve its right not to reissue the card in case it is not being used and in case over the last 12 months prior to the date of renewal no card transactions were effected with it.

10.8. Upon breaking the agreement under the procedure specified below the Bank shall be entitled to block and demand the returning of all company cards.

Termination of contractual relations with regard to payment services

10.9. The bank shall be entitled to close one or all accounts of a certain client and terminate the other agreements for payment services upon non-performance on obligations, specified in the current General Terms, the particular agreement with the Client, breach of obligations under another agreement, signed with the Bank or obligations of the Client, stipulated in the effective legislation, when these obligations concern the relationship between the Bank and the Client. The specific grounds (and not only limited to those) may be as follows:

10.9.1. Providing by the Client of incorrect, imprecise or incomplete data to the Bank, irrespective of the legal relations between the Bank and the Client;

10.9.2. A representative of the Client shows bad manners in his/her relations with the Bank (behaves rudely, arrogantly, smears the bank's good reputation etc.);

10.9.3. The reputation of the Client in public is controversial or according to the Bank there is sufficient data, that the Client breaches the effective laws.

10.10. Prior to the closing/ termination the Bank shall inform the Client, with which the former shall provide the latter with a reasonable period for disposing of the remaining account balances, returning of devices, property of the Bank etc.

Cancellation of agreements for accounts /payment instruments

10.11. The bank may break an agreement for an account /payment instrument, when the Client does not observe the contractual terms and conditions, without the need of providing a notice and refunding paid fees for the initial period of the agreement.

10.12. The Bank shall close an account of a Client, who during a 3-month period has failed to pay the fee for its administration.

### **XI. GUARANTEEING OF DEPOSITS**

#### **Guarantee amount and scope**

11.1. The aggregated available funds on all deposits, opened in the name of a Client, irrespective of the currency, in which they have been opened, are guaranteed in amount up to BGN 196 000 (one hundred ninety six thousand leva).

11.2. In case the deposits opened by the Client are more than one, in order to define the total amount of the Bank's obligation, all amounts in those shall be summed up. Amounts in foreign currency shall be paid in their BGN equivalence, calculated at the BNB's exchange rate for the day, determined by the Bank Deposits Guarantee Fund (the Fund) as the initial date for repayment of the guaranteed amounts of deposits.

11.3. In case there is an account in favour of a third person/entity, entitlement to receive a guarantee under the account shall have the person/entity, in whose/which favour the account has been opened (the beneficiary), unless the agreement provides for otherwise.

11.4. The Bank shall provide the Client with basic information about the guaranteeing of its deposits, the amount of the guarantee and the applicable deposit guarantee mechanism, by providing a Depositors' Newsletter, being an integral part of the account agreement. The newsletter shall contain updated information as of the date of signing the agreement, as its parameters may be changed upon amendments to the legislation. The Bank shall undertake to maintain up-to-date information about the guaranteeing of deposits, which information shall be displayed on the information boards in its branch network, as the Client shall undertake to keep himself/herself periodically informed from them.

Accounts not covered by the guarantee

11.5. Guaranteed amounts of deposits with the bank shall not be paid to:

- Other banks, when the deposits have been opened on their behalf and at their expense;
- Financial institutions, pursuant to Art. 3 of the Credit Institutions Act;
- Insurance and reinsurance companies under Art. 8 of the Insurance Code;
- Pension insurance companies as well as compulsory and voluntary pension insurance funds;
- Investment intermediaries;
- Collective investment schemes, national investment funds, alternative investment funds and special purpose vehicles;
- Budget organizations under § 1, Item 5 of the additional provisions of the Public Finance Act;
- Investor Compensation Fund, the Bulgarian Deposit Insurance Fund and the Guarantee Fund under Art. 287 of the Insurance Code.

11.6. No guarantee shall be provided for deposits having originated from or related to deals or actions constituting money laundering within the meaning of Art. 2 of the Measures Against Money Laundering Act, or financing of terrorism within the meaning of the Measures Against the Financing of Terrorism Act, established by a final judgment.

11.7. Deposits shall not be paid if their holder has not been identified pursuant to Art. 3 of the Measures Against Money Laundering Act as at the date of issuance of a deed under Art. 20, Para. 1 of the Bank Deposits Guarantee Act.

Mechanism for guaranteeing deposits and procedure for payment

11.8. In case of revoking a license for carrying out banking activity, the Fund shall pay the liabilities of the Bank to the Client up to the guaranteed amounts. The payment shall be made through one or more banks specified in a list by the Management Board of the Fund.

11.9. Within a period of not later than two business days prior to initiating the payment of amounts, the Management Board of the Fund shall be obliged to announce in at least two central daily newspapers and on its website the date as of which the Bank's depositors will be able to receive payments from the Fund, as well the bank or the banks through which these payments will be made.

11.10. The Fund shall provide the Bank's depositors with access to the amounts subject to reimbursement under the guaranteed deposits not later than 7 business days from the date of issuing a deed under Art. 20, Para. 1 of the Law on Bank Deposits Guarantee.

11.11. In case of extraordinary circumstances provided for in the Bank Deposits Guarantee Act, this deadline may be extended when:

11.11.1. The depositor has no exclusive right over the funds in the account, as the entitlement to receive payment from the Fund lies with the person in whose favor the deposit has been made, unless otherwise provided for in the agreement and on the condition that the latter person has been identified or may be identified prior to the date of issuance of a deed under Art. 20, Para. 1 of the Bank Deposits Guarantee Act, but not later than three months as of the date of the deed's issuance;

11.11.2. It has not been established whether a certain person has the legal right to receive the guaranteed amount of the deposit or in case the deposit is subject of a legal dispute; in these cases the deposit shall be reimbursed within 7 business days from the date of notifying the Fund about the settlement of the dispute or the ascertainment of the legal right;

11.11.3. The deposit is subject to restrictive measures imposed by the government or international organizations; in these cases the deposit shall be paid within 7 business days from the date of notifying the Fund about the termination of the effectiveness of the restrictive measures;

11.11.4. The Fund shall reimburse the guaranteed deposits to a branch of a Bulgarian bank in another Member State, but not later than 20 business days from the date of issuance of a deed under Art. 20, Para. 1 of the Bank Deposits Guarantee Act.

11.12. In order to receive the guaranteed amount, the Client shall visit the Bank determined to effect the payment, as well as present a valid identity document and sign a declaration certifying that he/she is not a spouse or a relative, in a direct or collateral line of descent up to second degree included, to individuals falling into some of the categories of management, ownership or control of the bank.

11.13. The Bulgarian Deposit Insurance Fund shall not owe any interest on the guaranteed amounts.

11.14. Any person who claims to be a depositor but has been refused to be reimbursed with amounts of the deposit within the amount under Art. 11.1. and within the deadlines under Art. 11.10. or 11.11., or who disagrees with the amount of the sum reimbursed to him/her, may file its objections in writing within a period of up to three months from the initial date of payment of the guaranteed deposits, with the conservator, temporary administrator or special manager, liquidator, temporary trustee in bankruptcy or trustee in bankruptcy of the bank. The conservator, temporary administrator or special manager, liquidator, temporary trustee in bankruptcy or the trustee in bankruptcy shall render their statement on the objections within a period of 7 days from their receipt. In case the objection is disallowed, the person may claim his/her rights pursuant to the Civil Procedure Code.

## **XII. PERSONAL DATA**

12.1. The Bank shall process the personal data of the legal representative of the Client by virtue of and in accordance with the Personal Data Protection Act (PDPA) and Regulation (EU) 2016/679 of the European Parliament and of the Council dated 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). By signing a contract for opening an account, issuance of a card, using e-banking services or another payment service, incl. the services of the Client Contact Center, the Client declares that he/she has read the document Information of UBB AD on Personal Data Processing, which is available on the Bank's website [www.ubb.bg](http://www.ubb.bg) and in the Bank's offices and branches, and that, through this document, he/she has obtained information:

12.1.1. about UBB AD as a personal data controller and how to contact the Bank's data protection officer;

12.1.2. about his/her rights with regard to the processing and protection of personal data and how to exercise them, incl. information about his/her right to receive information about the type of data concerning him/her which are processed by the Bank and about their source in case they have not been collected from him/her; his/her right to request from the Bank to delete, correct or limit the processing of his/her personal data whose processing is inaccurate or unlawful; the right of portability of its personal data; his/her right to object against the processing of his/her personal data when this is done based on a legitimate interest of the Bank; his/her right to withdraw his/her consent for processing of his/her personal data for certain purposes, as well as about his/her right to file a complaint to the Commission for Personal Data Protection in its capacity of a supervisory body within the meaning of the General Data Protection Regulation;

12.1.3. about the necessity of processing his/her personal data and the possible consequences in case he/she does not provide these data;

12.1.4. about the grounds for processing his/her personal data, incl. information that the Bank will not process his/her personal data for preparing a client profile and for offering personalized products or services directly without his/her explicit consent;

12.1.5. about the purposes for which the Bank processes his/her personal data obtained under the conditions of the specific Agreement, incl. together with his/her other personal data which the Bank has lawfully obtained from third parties, incl. other personal data controllers, as well as about the right of the Bank to process his/her personal data after it ceases to provide payment services when this is necessary in order to fulfill a statutory obligation of the Bank or to protect its lawful interests in other cases provided for by the law.

12.1.6. about the recipients to whom his/her personal data may be provided by the Bank in cases provided for by the law – other personal data controllers or personal data processors acting on behalf of the Bank, incl. but not limited to: state and municipal bodies and institutions, insurance and health insurance companies, credit registers and bureaus, persons specialized in risk analysis and assessment, collection of receivables or preventing and finding illegal actions, including crimes; about possible provision of his/her personal data by the Bank in third countries in line with the legislative requirements, incl. performing electronic cross-border transfer of data necessary for effecting international transactions, by providing these data to operators of payment system and other persons specialized in processing transactions with payment instruments;

12.1.7. about the periods for which the Bank stores his/her personal data.

## **XIII. FILING COMPLAINTS AND RESOLVING DISPUTES WITH CLIENTS**

13.1. Each Client may file a complaint in relation with the use of payment services in the most convenient for them way: In each UBB branch; through the bank's web-site; at the Record keeping at the UBB Head Office.

13.2. The complaint may be filed on a standard form of the Bank, as the Client shall mandatorily state: at least two names, Personal Identity Number, exact address, telephone /e-mail for contact, manner of receiving a reply and a signature, as well as an entry number of a complaint, submitted before the Ministry of Interior, resulting from illegally performed actions by third parties.

13.3. Within a seven-day period the Bank shall reply in the manner, indicated by the Client, or inform the Client of the period, within which he/she shall receive a reply, in the cases of factual or legal complexity, as for example – collecting of information from payment institutions or other third parties, initiated penal proceedings on the reviewed case and others.

13.4. In case the Client disagrees with the decision of the Bank and the reaching of agreement is impossible, it may refer the dispute to the competent Bulgarian court.

13.5. In case that a Client has submitted a report to the Ministry of Interior, including when he/she has granted consent for disclosing facts and circumstances that comprise bank secrecy, the Bank shall assume that it may disclose the necessary information /respectively, bank secrecy/ before the Ministry of Interior authorities in relation to duly disclosing of illegally performed actions.

## **FINAL PROVISIONS**

§1. To all unsettled issues the provisions of the effective laws of the Republic of Bulgaria shall apply. By virtue of Art. 48, Para 2 of the Payment Services and Payment Systems' Act (PSPSA), the Bank and the Client agree that the provisions of Art. 56 and Art. 58 of PSPSA shall not be applied with regard to the relations between them.

§2. The terminology used in these General Terms in relation to payment services shall have the meaning, specified in the Additional Provisions of the Payment Services and Payment Systems' Act.

§3 These General Terms are in effect since 01.03.2010, as supplemented on 01.05.2012, and they repeal the General Terms on Current Accounts of Corporate Clients, the General Terms on Electronic Banking and UBB AD General Terms on Debit and Credit Cards.

§.4. These General Terms were supplemented on 28.04.2014 and came into effect on their approval date.

§.5. These General Terms were amended on 21.11.2014 and the amendments came into effect on their approval date.

§.6. These General Terms were amended on 02.02.2015 and the amendments came into effect on their approval date.

§.7. These General Terms were amended on 02.11.2015 and the amendments came into effect on their approval date.

§.8. These General Terms were amended on 30.10.2017 and the amendments came into effect on their approval date.

§.9. These General Terms were amended on 18.12.2017 and the amendments came into effect on 01.01.2018.

§.10. These General Terms have been amended on 03.09.2018 and come into effect upon the expiration of a 14 day period, as at this date. Upon the coming into effect of the changes under the previous sentence, the current General Terms shall be applied towards all agreements for payment services and related to them payment instruments, concluded between the Bank and users of payment services (Clients) who do not have the capacity of users. In case of disagreement with their regulations, the Client may terminate with written notice the concluded agreement/s for payment services with the Bank within the fourteen days period from their coming into effect, in accordance with the agreed upon in the current paragraph, without owing fees or penalties for the termination. The use of the proposed by the Bank payment service/payment instrument and/or the lack of a submitted notice for termination of agreements for payment services within this period shall be considered as acceptance of the regulations of the current General Terms by the Client.

§.11. These General Terms were amended on 12.11.2018 and the amendments came into effect on 16.11.2018.

§.12. These General Terms were amended on 14.01.2019 and the amendments came into effect on 01.02.2019.

§.13. These General Terms were amended on 04.02.2019 and the amendments came into effect on 04.03.2019. Letters of attorney, drawn up by 04.03.2019 inclusive before a bank employee /according to a sample form of the bank / as well as letters of attorney for receipt of cash funds, receipt of documents, exchanged with the bank or submitting of signed payment orders, will be accepted by the Bank for effecting the activities, stated in them no later than 31.12.2019,

§.14. These General Terms were amended on 05.03.2019 and the amendments came into effect on 18.03.2019. The provision of §.13 shall exclude letters of attorney for receiving documents or for submission of signed payment orders and depositing of cash funds to an account.