

GENERAL TERMS

OF UNITED BULGARIAN BANK AD ON ACCEPTANCE OF BANK CARD PAYMENTS AT MERCHANTS

Table of Contents

1. SCOPE AND GENERAL PROVISIONS
2. RIGHTS AND OBLIGATIONS OF THE MERCHANT
3. RIGHTS AND OBLIGATIONS OF THE BANK
4. RIGHTS AND OBLIGATIONS IN CASE OF IRREGULAR PAYMENTS ACCEPTED BY THE MERCHANT
5. RESPONSIBILITIES UNDER THE CHARGEBACK (DISPUTED PAYMENT) PROCEDURE
6. RULES ON ACCEPTANCE OF TRANSACTIONS
 - 6.1. CARD VERIFICATION AND CUSTOMER IDENTIFICATION
 - 6.2. CARD-PRESENT TRANSACTIONS
 - 6.3. CARD-NOT-PRESENT TRANSACTIONS WITH KEY ENTRY
 - 6.4. RIGHTS AND OBLIGATIONS OF THE PARTIES IN KEY-ENTRY TRANSACTIONS
7. SECURITY REQUIREMENTS FOR CARD DATA PROCESSED AND STORED BY THE MERCHANT (PCI DSS Standard)
8. ADDITIONAL PROVISIONS
9. DEFINITIONS

1. GENERAL PROVISIONS

- 1.1. These General Terms and Conditions shall be part of the Contract on Acceptance of Bank Card Payments (hereinafter referred to as the CONTRACT) and shall be binding on both parties.
- 1.2. The General Terms and Conditions shall govern the rights and obligations of UNITED BULGARIAN BANK AD (hereinafter referred to as the "BANK" or UBB) and the Customer (hereinafter referred to as the "MERCHANT") and the operating rules on the acceptance of payments with payment cards for merchandise and/or services offered by the MERCHANT through POS terminals provided for use by the BANK and/or a provider approved by the BANK.
- 1.3. Communication between the parties shall take place at the address and e-mail indicated by the parties in the Contract. All communications between the parties shall be deemed to have been duly sent and received when delivered by hand, by courier, by registered post or at the indicated e-mail address. For the purposes of the stipulation in the preceding sentence, the MERCHANT shall be obliged to provide the BANK with a valid e-mail address and to ensure the timely reading and processing of the e-mails received from the BANK, which shall be deemed to have been received upon their arrival in the information system serving the

MERCHANT's e-mail address, as stipulated in Article 10, paragraph 1 of the Electronic Document and Electronic Certification Services Act. In addition to the agreement above, the MERCHANT shall be obliged to send a confirmation of the e-mail message received.

- 1.4. In the event that either party changes the specified address (or other contact details), it shall be obliged to notify the other party within three working days of making the change. Otherwise, all communications made to the old address (or the old contact details) shall be deemed to have been duly sent and received.
- 1.5. The BANK shall have the right to periodically amend the General Terms and Conditions on Acceptance of Bank Card Payments and shall undertake to update them in due time in accordance with changes in the requirements of the International Card Organizations (ICO) and in the event of changes in the applicable legislation, being obliged to notify the MERCHANT not less than 30 days prior to the entry into force of the changes by publishing them on the website of the BANK at WWW.UBB.BG, unless the relevant changes in the rules and requirements of the ICO/applicable legislation provide for a shorter period of entry into force of the changes.
- 1.6. Both parties shall undertake to mutually cooperate in the performance of all activities related to the acceptance of card payments within the subject of the CONTRACT.

2. RIGHTS AND OBLIGATIONS OF THE MERCHANT

- 2.1. The MERCHANT shall be obliged to get acquainted with and observe the requirements of these General Terms and Conditions, the Instruction for Accepting Card Payments with POS, as well as all other instructions provided to it by the BANK in connection with the execution of the Contract in the manner stipulated in Article 1.3 of these General Terms and Conditions.
- 2.2. The MERCHANT shall be obliged to maintain the current account with the BANK specified in the Contract, on which the payments between the two parties shall be made.
- 2.3. The MERCHANT shall be obliged to notify its customers of the possibility to make payments with a card, and of the terms and conditions of payment by placing promotional materials/stickers provided to it by the BANK in a prominent place in its outlets.
- 2.4. The MERCHANT shall be entitled to execute and accept payments on the POS devices provided to it with all types of cards specified in the Contract, regardless of the card issuer.
- 2.5. The MERCHANT shall not use the terminals provided by the BANK to accept payments for goods or services not specified in the Contract.
- 2.6. The MERCHANT shall not use the terminals provided by the BANK for illegal purposes, including for making payments for acquiring goods or services prohibited by the effective Bulgarian legislation, the rules of the ICO or harming their reputation, goods with unsettled copyright, replicas and counterfeits, incl. ones whose production

- and/or distribution harms or damages the personality, rights of citizens, property, the legal order in the Republic of Bulgaria established by the constitution or any other rights or interests protected by the law.
- 2.7. The MERCHANT shall inform its employees who accept card payments about the requirements of the General Terms and Conditions and the Instruction for Accepting Card Payments with POS as well as all other instructions provided by the BANK and shall ensure that they are observed. The MERCHANT shall bear responsibility for any errors made upon accepting payments with bank cards resulting from negligence, carelessness or unawareness of the persons authorized by the MERCHANT to work with the terminal device.
 - 2.8. The MERCHANT shall not reproduce and distribute and shall observe the secrecy of any information of which it has become aware in relation to the use of the POS device, bank cards used, payments made as well as any information related to personal data of cardholders.
 - 2.9. For each new POS terminal which it wishes to be installed in its outlets, the MERCHANT shall fill in and personally submit a Request for POS Terminal Installation as per a sample of the BANK.
 - 2.10. The MERCHANT shall become acquainted with the Minimum Technical Requirements for POS Terminal Installation and Use, an integral part of the Merchant Application Form, shall fulfill them before the date determined for the POS terminal installation and shall observe them in the period of using it.
 - 2.11. The MERCHANT shall treat the terminals with due diligence and shall take exceptional care to protect them upon using and storing them, and after termination of the Contract and shall return them to the BANK in good condition in line with the normal depreciation in the period of their use.
 - 2.12. The MERCHANT shall provide the necessary cooperation to employees of the BANK or service specialists authorized by the BANK in terms of fulfilling instructions given by phone and/or on site upon installation, upon resolving problems, upon change of software and/or terminals.
 - 2.13. The MERCHANT shall immediately inform the BANK in case of any technical failure of the provided POS terminals.
 - 2.14. The MERCHANT shall be held liable for any damage caused to the terminal devices due to negligence or misuse. In case of damage, the reason for it and the type of damage shall be found by a service station authorized by the manufacturer of the terminal device; for this purpose, a statement of findings shall be drawn up, containing data about the value of the conducted repair and/or the used spare parts. In case of damage to the terminal device which is found to be the fault of the MERCHANT as per the statement of findings, drawn up as per the previous sentence, the MERCHANT shall pay to the BANK the cost of the conducted repair and/or the used spare parts as per the statement of findings, and the amount shall be paid by the MERCHANT within 10 days from receiving the notification. After the determined deadline expires, the Bank reserves the right to collect the due amount ex officio from the account of the Merchant. If the balance in it is insufficient, the Bank is entitled to collect ex officio the amount from all the other accounts of the Merchant opened at it, including, when necessary, by buying foreign currency, respectively at buy/sell rate of the Bank for the day of the operation, to which the Merchant explicitly agrees by signing the Contract.
 - 2.15. The MERCHANT shall immediately inform the BANK in case any POS terminal is stolen or lost or in case of suspected interference with the terminals by a third party.
 - 2.16. In case a POS terminal is lost, stolen, perishes or is not returned when requested by the BANK, the MERCHANT shall pay the price of the device which has been paid by the BANK upon its purchase, and the MERCHANT shall pay this price within 10 days from receiving the payment notification. After the determined deadline expires, the Bank reserves the right to collect the due amount ex officio from the account of the Merchant. If the balance in it is insufficient, the Bank is entitled to collect ex officio the amount from all the other accounts of the Merchant opened at it, including, when necessary, by buying foreign currency, respectively at buy/sell rate of the Bank for the day of the operation, to which the Merchant explicitly agrees by signing the Contract.
 - 2.17. The MERCHANT shall inform the BANK in case of any serious incident in the commercial outlets which affect or could result in damage to the terminal devices.
 - 2.18. The MERCHANT shall ensure that a file of transactions is sent from the POS terminal devices on a daily basis and shall keep them connected to the electrical and communication networks. In case the file is not sent automatically, the MERCHANT shall contact the Customer Service Center of the BANK for cooperation.
 - 2.19. In case a file is not submitted for more than 7 calendar days, the BANK reserves the right to not credit the amounts of the made transactions to the account of the MERCHANT for the period for which the file has not been submitted. In case of accounting for delayed transactions, the risk of disputed payments shall be at the expense of the MERCHANT.
 - 2.20. The MERCHANT shall ensure that each of the provided POS terminals are used regularly in order to ensure normal functioning of the modules and batteries of the terminals.
 - 2.21. The MERCHANT shall store all the registered information and all documents about card payments for a period of 5 (five) years from the transaction date and shall provide them to the BANK within five days from the day on which they are requested.
 - 2.22. The MERCHANT shall inform in due time the BANK in case it intends to make significant changes to the nature of the activity, the provided goods or services, transformation, transfer of the commercial enterprise, change of representatives, change of the correspondence

address, closing or changing the address where the terminal devices are placed as well as in case the name of the outlet changes. The changes shall enter into force with regard to the BANK after written notification by the MERCHANT by means of submitting the respective documents in the BANK.

2.23. The MERCHANT shall receive the POS terminals which it has requested for the validity period of the specific Contract, and the devices provided by the BANK shall remain property of the BANK.

2.24. The MERCHANT is entitled to request to receive reports on accounted-for card transactions at the POS terminals installed in its outlets, accessible via the online banking of the BANK.

2.25. The MERCHANT is entitled to receive information in case of questions and problems related to accepting card payments at the provided POS terminals via the Client Contact Center.

2.26. In case the Merchant uses the provided POS terminal only during a certain period of the year, the following shall be necessary:

2.26.1 At the end of the period of using the terminal, it shall be submitted for storage in the branch, a Delivery and Acceptance Protocol shall be signed as well as the respective Request for Change of POS Terminal Parameters. Once the device has been submitted in the servicing branch and the submitted Request has been processed, the collection of the agreed monthly fees shall be discontinued.

2.26.2 At the beginning of the new period of using the device, the Merchant shall submit a new Request for Change of POS Terminal Parameters for activation of the device and shall receive again the POS terminal submitted for storage upon signing a Delivery and Acceptance Protocol. Once the device is returned to the Merchant and the Request has been processed, the collection of the agreed monthly fees shall be renewed.

3. RIGHTS AND OBLIGATIONS OF THE BANK

3.1. The BANK shall not be a party to the relations between the MERCHANT and its clients with regard to the activity of the MERCHANT and shall not bear responsibility for any complaints related to delivery deadlines and quality of the goods and provision of the services offered by the MERCHANT.

3.2. The BANK shall not be held liable in case the deal proves to be illegal, null and void or invalid for any reason or in case the MERCHANT carries out fictitious or illegal transactions, regardless of the way. In these cases, the risk and responsibility shall lie directly and personally with the MERCHANT.

3.3. The BANK shall prepare, test and install in an outlet of the MERCHANT the POS terminals which the MERCHANT has requested. Upon installation of each POS device, test transactions shall be conducted to verify that it is ready to

function, and a Delivery and Acceptance Protocol shall be signed by persons authorized respectively by the MERCHANT and the BANK, certifying that the POS device has been installed successfully and that it is ready to function.

3.4. Upon installation of a POS terminal, the BANK shall provide the MERCHANT with rules and instructions for accepting and servicing card payments and working with POS as well as advertising materials such as stickers, etc. with the logos of the card products which are accepted for payment.

3.5. Upon installation of a POS terminal, the BANK shall ensure training of the staff on how to use it and on the procedure of accepting payments with bank cards.

3.6. The BANK shall ensure that 24 hours a day, 7 days a week it is possible to make transactions via POS terminal.

3.7. The BANK ensures 24-hour assistance to Merchants in case of questions, problems and failures related to accepting card payments and requests for authorization over the phone via the Customer Service Center at up-to-date phone numbers published at the website of the BANK.

3.8. The technical support for POS terminals is provided by the BANK and/or service specialists authorized by the BANK.

3.9. The BANK is entitled to make changes, remotely or on-site, to the parameters of the software of the POS terminal as well as to replace it with another one in order to resolve a problem, to ensure better service and better functioning of the device.

3.10. The BANK is entitled to make periodic inspections of the MERCHANT at the addresses of its commercial activity/at its registered legal seat in line with the regulatory requirements of the ICO.

3.11. The BANK is entitled to temporarily block one or more POS terminals by discontinuing their access to its authorization system in the following cases:

3.11.1. Failure of the MERCHANT to meet the requirements of these General Terms and Conditions or the Contract;

3.11.2. For security-related reasons – in case of reasonable doubts of transactions not authorized by cardholders – in order to protect from losses itself and the MERCHANT;

3.11.3. In case of considerable volume of disputed payments or transactions which are irregular as compared to the average volume of card payments.

3.11.4. In case of considerably increased risk that the MERCHANT may not be able to fulfill its obligations to the BANK.

3.12. The BANK is entitled to block amounts and to collect ex officio from all accounts of the MERCHANT opened at the Bank all amounts for its costs, damages and penalties imposed by the ICO, which directly or indirectly result from breach of the previous Article as well as from breach of the Contract and non-compliance with these General Terms and Conditions by the MERCHANT, about which the latter provides its explicit, unconditional and irrevocable consent by signing the Contract.

3.13. The BANK is entitled to claim, within 5 years after termination or revocation of the Contract, reimbursement by

the MERCHANT of all amounts paid by the BANK based on disputed payments, including amounts paid with respect to fines imposed on the BANK by the ICO in relation to irregular activity of the MERCHANT.

4. RIGHTS AND RESPONSIBILITIES IN CASE OF IRREGULAR PAYMENTS ACCEPTED BY THE MERCHANT

- 4.1. In case of reasonable suspicion that card transactions in favor of the MERCHANT have been made by a person who is not an authorized user of the card or that they have been made via a forged card or in any other irregular way, the BANK is entitled to block ex officio its account with the full amounts of these payments, to make an unannounced check of the MERCHANT without warning it and to carry out an investigation, including on-site in the commercial outlet. The MERCHANT shall cooperate and provide in due time the information requested by the BANK in relation to the suspicious transactions.
- 4.2. The BANK is entitled to block an account of the MERCHANT with the amounts of transactions which are considered suspicious as per the previous Article for a period of 180 days. In case the made payment is disputed within the specified period, the period of blocking may be extended until final completion of the dispute procedures in line with the rules of the ICO.
- 4.3. In case the BANK finds that the payment ordered with the MERCHANT which was credited to its account is based on a false, invalid and/or irregular card, the MERCHANT by signing the Contract explicitly, irrevocably and unconditionally agrees for the BANK to debit the amount of the respective payment from all accounts of the MERCHANT opened at the BANK.
- 4.4. The risk of payments with false, invalid and/or irregular bank cards, as well as in case of card payment ordered by a person who has not been authorized by the legitimate cardholder, shall be completely at the expense of the MERCHANT.
- 4.5. In case the MERCHANT accepts a transaction of which it knows to be fraudulent or not authorized by the cardholder, the value of the disputed payment shall be at the expense of the MERCHANT.
- 4.6. The MERCHANT hereby provides its explicit and unconditional consent for the BANK to use any information in electronic, paper or another format received from the ICO, competent state or international institutions, payment card operator, law enforcement and judicial authorities, which is related to payments with bank cards via its POS terminals, as legal and binding evidence, to certify violations found with it, as grounds for requesting information or for compensation for damages suffered by the BANK with regard to fulfillment of the rights and obligations of the parties to the CONTRACT.
- 4.7. In case, when the MERCHANT applies for the service, the BANK determines that the MERCHANT is of risky profile, as soon as the Contract enters into force the BANK is entitled to determine and block a minimum balance in the

account of the MERCHANT, which shall be valid in the validity period of the Contract, and may periodically review and change the amount of the determined minimum balance.

- 4.8. The BANK may change the risk profile of the MERCHANT on the basis of various facts and circumstances such as, but not limited to: breach of clauses of the concluded Contract for Accepting Bank Card Payments; breach of obligations under these General Terms and Conditions; signals of unfair trade practices on the part of the MERCHANT; considerable increase in the number of disputed payments to the MERCHANT; obtained information that the MERCHANT accepts payments for goods or services different from the ones which it has initially announced and agreed with the BANK; obtained information about existing overdue loans to other banks; obtained information about distraints imposed on accounts and receivables of the MERCHANT.
- 4.9. In case, during the validity period of the Contract, the risk profile of the MERCHANT according to the BANK deteriorates to an extent resulting in considerably higher possibility of increase in the volume of unjustifiable disputed payments to the MERCHANT, the BANK is entitled to block in the account of the MERCHANT an amount up to the amount of the total turnover from card payments for the last 4 months. In such case, the BANK shall inform the MERCHANT by email and by phone within one working day.
- 4.10. The BANK is entitled to register the MERCHANT as a high-risk one and immediately discontinue the acceptance of card payments in case, based on conducted monitoring of the MERCHANT, registration of suspicious transactions is found in line with the rules of the ICO and/or the Instructions provided by the BANK. The MERCHANT shall provide maximum cooperation to the BANK upon checking the made payments.

5. RESPONSIBILITIES UNDER THE CHARGEBACK (DISPUTED PAYMENT) PROCEDURE

- 5.1. The BANK shall inform the MERCHANT about each disputed payment, as well as about the reasons for the dispute, within five working days from receipt by the BANK of information about the disputed payment, by phone, by mail at the correspondence address or by email stated in the Contract, informing the MERCHANT about the details of the disputed transaction.
- 5.2. The BANK shall cooperate in resolving any cases of disputed payments in case the MERCHANT provides in due time documentation within the determined deadline. The documentation shall contain at least the following: copy of the POS receipt for the sale, contract for sold goods or provided services, or an invoice and cash receipt, copy of a document proving correct delivery of the goods/services signed by the cardholder (e.g. hotel registration form, notification of received service, service contract, etc.), as well as any other available documentation clarifying the

circumstances of accepting the payment, including written explanation by the MERCHANT of the disputed payment.

- 5.3. In case of unjustified chargeback because the requested documents have not been provided, incomplete documents have been provided or because of delay in providing the requested documents, the chargeback shall be at the expense of the MERCHANT.
- 5.4. The documents shall be sent in scanned form to an email address specified by the BANK or shall be submitted in a branch of the BANK.
- 5.5. The sent documents shall be clear and legible, otherwise it shall be considered that they have not been received by the BANK and the disputed payments shall be at the expense of the MERCHANT.
- 5.6. In the process of determining whether the chargeback is justified, the BANK shall be guided by the rules of the ICO which are in force as at the transaction date, the effective legislation of the state and the information received from the competent state and international institutions, etc. Until final completion of the chargeback procedures, as per the rules of the ICO, the BANK is entitled to block ex officio all accounts of the MERCHANT at the BANK with the full amount of disputed payments, of which the MERCHANT provides its explicit, irrevocable and unconditional consent by signing the CONTRACT.
- 5.7. The account of the MERCHANT shall be unblocked in case the chargeback procedure is successfully completed in favor of the MERCHANT or in case of expiry of the determined deadlines for receiving a dispute.
- 5.8. In case of unjustified chargeback, the MERCHANT by signing the Contract provides its explicit, irrevocable and unconditional consent for the BANK to debit from all accounts of the MERCHANT at the BANK the disputed amount and the costs for the chargeback and to return the respective amount to the card via which the transaction has been made.
- 5.9. In order to collect its receivable, the BANK may debit the amounts blocked beforehand or at its discretion to deduct the amount of the disputed transactions from its subsequent payment to the MERCHANT.
- 5.10. In case the currency in which the account of the MERCHANT is maintained differs from the currency in which the disputed payments have been received, the BANK shall convert ex officio the amounts due at the exchange rate of the BANK for the payment date.
- 5.11. In case the balance in the blocked account is not sufficient for collecting the receivable, the MERCHANT by signing the Contract:
 - 5.11.1. provides its explicit, irrevocable and unconditional consent that, in case the balance in the accounts of the MERCHANT at UBB is insufficient for making the payment, the BANK may accrue interest for delay on the outstanding debt of the MERCHANT at the amount of the legal interest for delay. The date on which the interest becomes payable shall be the date on which the

BANK made the payment at the expense of the MERCHANT.

- 5.11.2. may use a loan for a specific purpose in the form of an overdraft under a current account; the right of the MERCHANT to use overdraft, the conditions of its servicing and the parameters agreed between the parties shall be settled in a separate contract.
- 5.12. In case of unjustified chargeback, with the written consent of the MERCHANT the BANK may start an arbitration procedure before the Arbitration Committees of the ICO; in case of loss, the costs for the procedure as per the Fees and Commissions Tariff of UBB shall be at the expense of the MERCHANT. The decision of the Arbitration Committee shall be final and shall not be subject to appeal.
- 5.13. In case the MERCHANT explicitly requests initiation of an arbitration procedure, where the BANK has announced in advance that the MERCHANT has no grounds for such request, all fees and commissions for the arbitration procedure shall be paid in advance by the MERCHANT in line with the Fees and Commissions Tariff of UBB and the ICO.
- 5.14. The BANK is entitled to claim reimbursement by the MERCHANT of all amounts paid by the BANK on the basis of disputed payments, including amounts paid by the BANK in relation to fines imposed on it by the ICO with regard to irregular activity of the MERCHANT, within 5 years after termination or revocation of the Contract.

6. RULES ON ACCEPTANCE OF TRANSACTIONS

6.1. CARD VERIFICATION AND CUSTOMER IDENTIFICATION

6.1.1. CARD VERIFICATION

- 6.1.1.1. When a card is presented, the MERCHANT shall take the following verification steps; in case of non-compliance with the set parameters, the MERCHANT shall refuse card payment:
 - 6.1.1.1.1. To check whether the card is of a brand which the MERCHANT accepts for payment at the provided POS terminal as per the Contract.
 - 6.1.1.1.2. To check the date of expiry of the card – the card shall be valid to the last date - included - of the month printed below the card number.
 - 6.1.1.1.3. To check whether the first 4 digits of the card number are the same as the four small digits printed under it (in case such small digits have been printed).
- 6.1.1.2. To check whether the last four digits of the card number are the same as the four digits printed on the back of the card on the signature panel (in case such digits have been printed).
- 6.1.1.2.1. To check whether the last four digits of the card number are the same as the number printed on the receipt from the POS terminal. In case of difference, the MERCHANT shall cancel the transaction.
- 6.1.1.3. The MERCHANT shall refuse payment in case of suspected loss, forgery or any other type of irregular

use of the card, shall immediately inform the BANK and, if possible, shall retain the card.

6.1.1.4. The Merchant is entitled to refuse to accept payment also in the following cases:

- refusal by the cardholder to provide a document confirming his/her identity or in case the MERCHANT finds that the card is used by an unauthorized person;
- impossibility to obtain confirmation for performing the operation;
- suspicion of a false or forged card or lack of any of the obligatory protection elements on it;
- difference between /or lack of/ the signature on the card and the signature on the transaction document or the identity document (in cases where signature of the cardholder is also required, it shall not be necessary to enter PIN);

6.1.2. CLIENT IDENTIFICATION

6.1.2.1. Upon all transactions which require signature for client identification, the MERCHANT shall request identity document (passport, identity card or driving license) and shall check:

- 6.1.2.1.1. whether the name printed on the front of the payment card is the same as the name printed on the identity document;
- 6.1.2.1.2. whether the client looks the same as in the picture on the document;
- 6.1.2.2. whether the signature on the payment card is the same as the signature on the document.
- 6.1.2.3. In all other cases, in case of justified doubts as to the identity of the person who uses the card, the MERCHANT is entitled to request from the client to identify himself/herself with an identity document (passport, identity card or driving license) and to carry out the checks specified in Item 6.1.2.1. It shall be prohibited for the cardholder to identify himself/herself with other payment cards that he/she owns.
- 6.1.2.4. In case of refusal by the cardholder to provide a document confirming his/her identity or in case it is found that the card is used by an unauthorized person, the MERCHANT shall refuse the transaction.
- 6.1.2.5. The MERCHANT is entitled to request from the Cardholder to provide additional information for identification if such information is necessary for delivering the purchased goods or providing the paid service (address and/or postcode, email, phone number, etc.).

6.2. CARD-PRESENT TRANSACTIONS

6.2.1. CARD-READING TRANSACTIONS

- 6.2.1.1. In case the card is with a chip, the transaction shall be processed by the chip reader of the terminal.
- 6.2.1.2. If the card is not with a chip, the transaction shall be processed by the magnetic card reader of the terminal.
- 6.2.1.3. In case the transaction is made via a card with a chip and PIN has to be entered, signature field shall not be

printed on the POS receipt and signature of the cardholder is not required.

6.2.1.4. Upon transactions which require signature for client verification, signature field shall be printed on the POS receipt. Identity document is required in order to check whether the person who uses the card is its legal holder. It shall be checked whether the signature on the POS receipt is the same as the signature on the back of the card and as the signature on the identity document. In case of difference, the MERCHANT shall cancel the transaction.

6.2.1.5. The MERCHANT shall ensure that the card number on the POS receipt (the last four digits are printed) is the same as the one on the front of the card.

6.2.1.6. In case of doubt as to the cardholder and/or the presented card, the MERCHANT shall contact immediately the Client Contact Center of the BANK and shall inform the operator on shift about the doubt.

6.2.2. CONTACTLESS TRANSACTIONS

6.2.2.1. Merchants which provide the option for contactless payment shall mark their outlets with a logo and advertising materials provided by the BANK with the symbol of contactless payment. The following symbol shall indicate contactless payment:)))

6.2.2.2. A contactless transaction shall be performed by touching/approaching the card to the POS device without having to put the card in/run the card through the POS device. Upon making a contactless payment, the card remains with the cardholder.

6.2.2.3. When the value of the contactless payment is up to the limits currently approved for the respective country by the ICO, the order shall be accepted without entering PIN and/or signature on the document of the conducted operation. Upon request of the MERCHANT, the BANK shall provide information about the limits approved for the country by the ICO.

6.2.2.4. In case of contactless transaction above the determined limit, it is required to enter PIN code and/or signature; in case of using mobile phones, it is also required to enter a password.

6.2.2.5. POS receipt for the MERCHANT shall be printed in all cases.

6.2.2.6. POS receipt for the cardholder shall be obligatory in case of transactions above the limit; in case of transactions under the limit, POS receipt for the cardholder shall be printed out only upon request of the cardholder.

6.2.2.7. As part of the security measures on the part of the BANK, on a periodic basis a contactless transaction may be required to be processed by reading the card.

6.2.3. TRANSACTION OF PURCHASE IN INSTALLMENTS

6.2.3.1. The BANK shall provide the MERCHANT with the option for offering to its clients who are holders of

credit cards issued by the BANK to make purchases by making equal monthly installments, and the deferral shall be done via the POS terminal. The value of the purchase shall be at least BGN 100.00, and the number of installment may vary from 3 to 36. This type of transactions shall be allowed only for Merchants approved by the BANK.

6.2.3.2. The MERCHANT shall inform in advance the cardholder about the terms and conditions for deferral of the specific purchase.

6.2.3.3. When a purchase in installments is made, the MERCHANT shall not be a party to the relations between the BANK and the cardholder with regard to payment of the installments and shall not bear responsibility for this.

6.2.3.4. The MERCHANT shall require signature of the cardholder on the POS receipt for the transaction. The signature shall certify that the client agrees with the conditions of deferral (monthly installment, number of installments).

6.2.4. TRANSACTION OF PURCHASE AND SERVICE

6.2.4.1. "PURCHASE AND SERVICE" (TIP) shall be a payment transaction which allows, upon request of the client, to add to the amount of purchase an additional amount for service (tip). This shall be a transaction by default for POS terminals installed in outlets of Merchants who have a restaurant type of business.

6.2.4.2. The amount for service shall be maximum 20 % of the amount of purchase.

6.2.5. CASHBACK TRANSACTION

6.2.5.1. CASHBACK transaction is a type of payment where an amount which the client wishes to receive in cash from the MERCHANT is added to the amount of the purchase made by the client.

6.2.5.2. The value of each conducted cashback transaction shall be a sum of the value of the purchased goods/services and the amount paid in cash.

6.2.5.3. In case of CASHBACK transaction, the MERCHANT shall pay to the BANK a fee only for the value of the purchase.

6.2.5.4. The two amounts – the amount of the purchase and the amount in cash – shall appear on separate rows on the receipt and in the daily report of the POS terminal.

6.2.5.5. This type of transactions shall be allowed only for cards with chip which have been issued in Bulgaria.

6.2.5.6. The amount of money paid in cash may not be higher than BGN 50.

6.2.6. PURCHASE OF VOUCHERS

6.2.6.1. The transaction of PURCHASE OF VOUCHERS shall be a transaction which allows for the cardholder to purchase electronic vouchers for prepaid service.

6.2.6.2. The MERCHANT may sell electronic vouchers and other services via the provided POS terminal through

all types of cards specified in the Contract. Sale of electronic vouchers and other services shall be governed by a separate contract between the MERCHANT and the Service Provider.

6.2.6.3. The options offered by the BANK for purchase of a voucher through a bank card and payment between the MERCHANT and the Service Provider via POS shall be free of charge for the MERCHANT.

6.3. CARD-NOT-PRESENT TRANSACTIONS WITH KEY ENTRY

6.3.1. "CARD-NOT-PRESENT TRANSACTION" (CNP TRANSACTION) is a transaction where the MERCHANT enters manually card data in a POS device (KEY ENTRY) without physically presenting the card but with the explicit consent of the cardholder. This type of transaction shall be allowed only for Merchants approved by the BANK which have specific commercial activities – hotels, rent-a-car, tourist agencies, etc.

6.3.2. By manual entry of card data (KEY ENTRY), the MERCHANT may initiate a payment without the presence of a card or pre-authorization with subsequent finalization for the amount of the transaction.

6.3.3. Key-entry transactions shall always be accompanied by Form of Consent with the Conditions of the Requested Goods or Services, signed by the cardholder – Authorization Form/mail order, reservation form, contract, etc. By signing this Form, the cardholder provides its explicit consent for payment for the requested goods/services.

6.3.4. The BANK shall provide the MERCHANT with a sample Authorization Form/mail order for the cardholder's consent for making payments without physical presence of a card.

6.3.5. The MERCHANT is entitled to use its own Form applicable for the specific goods/services which will be paid for in this way, which Form shall contain the attributes of the sample form provided to it by the BANK.

6.3.6. In case no duly filled-in Form is received or in case the Form is not signed by the cardholder, any debit from a card by means of Key Entry transactions shall be considered irregular and shall be entirely the risk and responsibility of the MERCHANT.

6.3.7. Pre-authorization (preliminary authorization) is preliminary blocking of an amount in a card, through which the MERCHANT ensures subsequent payment and receives confirmation that the cardholder's card is valid and that funds are available in the card.

6.3.7.1. The amount blocked on the card shall not be used for the purposes of another transaction until cancellation or finalization of the pre-authorization.

6.3.7.2. Pre-authorization alone shall not guarantee payment and the amount shall not be paid to the MERCHANT until finalization of the pre-authorization.

- 6.3.7.3. The pre-authorization shall be finalized upon making a transaction for an amount equal to or lower than the amount blocked upon authorization. Upon finalization of the pre-authorization, the card of the client shall be debited and the actual payment for the goods or services shall be made.
- 6.3.7.4. Pre-authorization shall be finalized in the presence of the card and the cardholder through reading the card. The following cases are exceptions – the transaction is MO/TO (mail order/telephone order); the transaction is for making preliminary payment (PREPAYMENT); due to failure to appear (NO SHOW) or canceled service (CANCELTATION).
- 6.3.7.5. Within 30 days the MERCHANT may process the payment related to the received pre-authorization (to finalize it) or may cancel it. After expiration of this period, the pre-authorization shall be canceled automatically.
- 6.3.8. In case a card-not-present transaction of the MO/TO (mail order/telephone order) type is initiated, “SOF – SIGNATURE ON FILE” shall be written in the space for cardholder signature on the POS terminal receipt. The POS terminal receipt shall be accompanied by the Authorization Form/mail order which shall be filled in and signed by the cardholder.
- 6.3.9. Upon payment initiation in case of failure to appear or canceled service, “NO SHOW” or “CANCELTATION” shall be written in the space for signature on the POS terminal receipt. In this case, the MERCHANT is obliged to inform in advance the cardholder and obtain his/her explicit consent in writing about its general terms and conditions and its policies which are applied by it in case of non-use or cancellation of the reservation/service.
- 6.3.10. If the cardholder does not cancel the service within the periods determined in the policy of the MERCHANT or if it fails to appear in line with the reservation made, the MERCHANT is entitled to deduct the value of 1 (one) night/rent for 1 (one) day in line with the tariff and the conditions for the service provided by the MERCHANT.
- 6.3.11. A MERCHANT offering hotel and rent-a-car services is entitled to initiate payment without the presence of a card for additional costs/compensatory amounts with regard to hotel stay or vehicle rental only if the cardholder has been informed in advance and has agreed in writing and through his/her signature that he/she recognizes these amounts (as per contract and conditions for using the respective service).
- 6.3.12. Upon each transaction without physical presence of a card where key entry of card data in the POS device is initiated in the outlet, the MERCHANT shall send to the respective cardholder written notification (letter, e-mail, other) about the additional amount charged. It shall enclose the following to the notification letter: - copy of the POS receipt with the words “SIGNATURE ON FILE” written in the space for signature in the document; - copy of the payment document describing in detail the liabilities which the cardholder is charged for.
- 6.3.13. In case of amounts charged from a cardholder’s card without physical presence of the card (in line with the above processes and requirements described in Article 6.3.) and subsequent presence of the client in the commercial outlet, the MERCHANT shall make a POS transaction for payment via physical reading of the card, and it is obligatory to obtain prior verification from the cardholder through PIN or signature on the POS receipt. A transaction may be physically conducted including or only as a test transaction through the card for one currency unit (for example, BGN 1), which shall be afterwards reimbursed to the cardholder by using the functionality of the POS device for purchase cancellation. The POS receipt with signature or PIN verification by the cardholder as well as the POS receipt from the cancellation (if such has been carried out) shall be stored by the MERCHANT as part of all the documents applicable to the cardholder's liability and shall be provided in due time upon request of the BANK.
- 6.4. RIGHTS AND OBLIGATIONS OF THE PARTIES UPON KEY-ENTRY TRANSACTIONS**
- 6.4.1. The BANK shall activate the KEY ENTRY functionality of a POS terminal provided to the MERCHANT after explicit approval of the MERCHANT for this type of service.
- 6.4.2. The MERCHANT is entitled to make for its benefit card payments without physical presence of the cards in view of the specifics of the activity conducted by it and only provided that the cardholder has provided its preliminary, explicit and unconditional consent for the specific payment.
- 6.4.3. The MERCHANT shall make for its benefit card payments without physical presence of the cards exclusively at its own risk and responsibility, and unconditionally and irrevocably shall bear at its expense any losses from disputed payments as well as other losses related to them, including the ones imposed on the BANK as a result of acceptance of such payments with the MERCHANT, including but not limited to penalties by the ICO and other competent institutions.
- 6.4.4. The MERCHANT shall store and provide upon request of the BANK all listed documents related to a specific payment:
- 6.4.4.1. POS terminal receipts for pre-authorizations and finalizations/purchases;
- 6.4.4.2. Copy of reservation contract/reservation form/rental contract;
- 6.4.4.3. Copy of accommodation registration form (guest folio) signed by the cardholder;

- 6.4.4.4. Pro forma invoices proving the exact amount of the amount payable by the cardholder;
 - 6.4.4.5. Detailed expenditure documents on all payable amounts (invoices, cash register receipts, statements of findings on road traffic offenses, statements on parking fines and violation of road traffic rules, etc.) proving the regularity of the payment;
 - 6.4.4.6. Documents proving that the cardholder has been informed about the necessity of these payments and has explicitly agreed for the specific transactions to be conducted. Documents proving that notification has been sent to the cardholder about the payments additionally charged to his/her card as well as that the respective documents on the liability have been enclosed to the notification;
 - 6.4.4.7. Any other available documentation/explanations which are related to the transaction and could contribute to proving the cardholder's consent to the conditions of the specific payment;
 - 6.4.5. The BANK is entitled to block/stop the KEY ENTRY functionality of the POS terminal provided to the MERCHANT and/or to discontinue the use of the provided POS terminal until clarification of the circumstances or permanently, afterwards informing the MERCHANT about this, in the following cases:
 - 6.4.5.1. In case of registering an unusual number of key-entry transactions and suspicions on the part of the BANK that these transactions may not have been authorized by the legitimate cardholders;
 - 6.4.5.2. In case of signals of irregular key-entry payments conducted through the terminal device of the MERCHANT;
 - 6.4.5.3. In case of initiated internal survey of the Bank with regard to the regularity of an accepted key-entry payment;
 - 6.4.5.4. In case of receiving an unusual number of disputed transactions of key-entry payments proving weaknesses in terms of compliance with the conditions agreed with the cardholder for the purchase and sale or provision of the service, etc.;
 - 6.4.5.5. In case of receiving an unusual number of disputed transactions of key-entry payments, due to payment conducted without justification or non-compliance by the MERCHANT with commitments for accepting payments without physical presence of the cards or without prior notification to and written consent of the cardholder with regard to charging penalties, additional costs, etc. from his/her card;
 - 6.4.5.6. In case of suspicions or received signals of irregular use and/or provision to third parties, excluding the BANK, of card information received for making key-entry payments as well as personal information of clients subject to protection under the Personal Data Protection Act;
 - 6.4.5.7. In case of receiving a signal from the ICO that the levels of fraud in the MERCHANT's outlets reported by the card-issuing banks or chargebacks with the MERCHANT exceed the standard ratios to the turnover and number of transactions with the MERCHANT which have been determined by the card organizations.
 - 6.4.6. The BANK is entitled to block in the MERCHANT's bank account amounts of conducted KEY ENTRY card payments duly accounted-for in the bank account under the conditions of the previous Article and/or in case of received disputed transactions from the banks issuing the cards with which these payments have been made in case these payments are unjustified or undue, fully or partially, as per the conditions of the purchase and sale or the provision of the service by the MERCHANT to its client, or the client has not agreed for them to be paid for with his/her card.
 - 6.4.7. The BANK is entitled to keep blocked in the account of the MERCHANT the amounts under the previous Article until the chargeback procedures as per the rules of the ICO are completed or until the circumstances of their acceptance are clarified and the risk of them being claimed back by the cardholder is eliminated.
- 6.5. SPLITTING A TRANSACTION**
- 6.5.1. It shall be prohibited to split the payment for one purchase into several card transactions in case it is impossible to obtain authorization of the full amount due to applicable limit of the card or POS terminal. In this case, the MERCHANT shall contact the BANK for further instructions.
 - 6.5.2. In case a card payment is accepted and there is insufficient balance in the card, the total amount may be split and part of the amount may be paid in cash.
 - 6.5.3. It shall be prohibited to split transactions in case of card-not-present payment.
- 6.6. REFUND AND CANCELLATION OF TRANSACTIONS**
- 6.6.1. The MERCHANT shall provide the cardholder with clear information about its policy on return of goods (service cancellation, refund of amounts for purchase made/service provided) or cancellation of transactions.
 - 6.6.2. In case the MERCHANT has processed a certain transaction with an error or the cardholder has returned the goods (canceled the services) paid for by card, the MERCHANT shall cancel or refund the transaction.
 - 6.6.3. Cancellation/Reversal may be made only for the full amount of the transaction and only on the same day and for the same card which the original transaction was made with.
 - 6.6.4. Refund shall be made for partial refund of the transaction amount or for full refund in case of goods returned/services canceled by a cardholder, on a day different from the date of the original transaction, within 30 days after the original transaction.

- 6.6.5. In case the card which the payment was made with has been closed, lost or stolen or more than 30 days have passed since the date of the original transaction, the MERCHANT shall file a written request to the BANK to process the refund on his/her behalf.
- 6.6.5.1. The MERCHANT shall file in a branch of the BANK a written request for the transaction amount to be corrected and shall describe clearly the specific case which necessitates the BANK to intervene. The request shall contain: terminal number, date of transaction/authorization, transaction amount, amount to be refunded.
- 6.6.5.2. In case of refund of duplicate transaction, the MERCHANT shall submit a copy of the POS receipt of the successful transaction. In case of lack of POS receipt, in a written request the MERCHANT shall specify clearly which transaction is to be refunded and shall write the authorization code of the transaction to be refunded.
- 6.6.6. It shall be prohibited to refund amounts of card payments made to the MERCHANT in cash or via transfer to a bank account. The refund may be made only to the card through which the initial payment was conducted.
- 6.6.7. In case of refund of transaction amounts, the cardholder shall receive a POS receipt signed by the MERCHANT and a document shall be issued for the returned goods/services.
- 6.6.8. Amounts under cashback transactions may be refunded only at the amount of the purchase.
- 6.6.9. It shall be prohibited to refund amounts under transactions of purchase in installments.

7. SECURITY REQUIREMENTS FOR CARD DATA PROCESSED AND STORED BY THE MERCHANT (PCI DSS Standard)

- 7.1. The MERCHANT shall comply with the full requirements for card data security under the international European rules and of the International Card Organizations as per the general standard – Payment Card Industry Data Security Standard (PCI DSS). The PCI DSS Standard includes requirements and procedures for security management, for network architecture and for design of software applications, which have to be observed by all organizations working with card payments in order to prevent fraud with credit and debit cards. PCI DSS is applicable for all MERCHANTS, persons, operators and organizations which process card data.
- 7.2. The MERCHANT shall take all the required measures in order to avoid leakage or misuse of the data of its clients, cardholders, in line with international European rules described in detail in the PCI DSS, which is available on www.pcisecuritystandards.org/. The MERCHANT shall become acquainted and comply with the European regulations imposed by PCI DSS and to cover the costs for their fulfillment.

a) In view of the above, the MERCHANT shall be obliged:

- To observe the requirements depending on its activity, respectively the category in which the MERCHANT has been classified on the basis of a set of criteria. The MERCHANT has been classified by the BANK on the basis of the documents which it has filed upon and prior to conclusion of the Contract on Acceptance of Bank Card Payments and the activity which it has declared for the respective commercial location of the MERCHANT.

- To ensure – in cooperation with the Bank – that the service providers related to its activity which have access to, process, store and transmit the data of cardholders will be fully compliant with PCI DSS. Prior to concluding a contract with a new service provider, the BANK shall assess the provider based on the answers to the self-assessment questionnaire related to the PCI DSS, called PCI DSS Self-Assessment Questionnaire (SAQ). The service provider shall comply with the standards in all items of the SAQ.

- To make is possible for the BANK (or the card organizations) to check its compliance with PCI DSS.

b) The MERCHANT is aware of the fact that in case the MERCHANT or its partners do not comply with the requirements of the PCI DSS Standard, the BANK may suffer financial loss. The MERCHANT shall cover fully all financial losses, including all costs related to investigating the incident, within a period determined by the BANK.

c) In case the MERCHANT finds leakage or misuse of cardholders' data, it shall inform the BANK immediately. The Bank is entitled to share the information with the ICO, the respective administrative authorities in the country and other affected third parties. The MERCHANT shall be fully responsible for all possible financial losses resulting from late notification of data misuse caused to the BANK, the MERCHANT or any other party.

d) The MERCHANT is aware of the fact that it is responsible for any possible misuse of the data of cardholders such as name, address, personal identification number (or date of birth) or their payment instruments. The MERCHANT is not entitled to record and/or store the following data in any case: - primary account number (PAN), - date of validity of the card, - PIN code of the cardholder, - CVV2, CVC2 (card validation code written on the back of the plastic card next to the signature stripe), - data from the magnetic stripe of the card

e) The MERCHANT is not entitled to request from the BANK any services which are not in compliance with PCI DSS.

- 7.3. The BANK is entitled, both by itself and via third parties, to check on-site whether the PCI DSS Standard is being observed.
- 7.4. A MERCHANT which uses a POS terminal provided by the BANK which is not connected to other systems of the MERCHANT and stores only receipts from purchase transactions where the card number is masked and does not store other card data on any other medium shall be considered compliant with the requirements of the standard.

8. ADDITIONAL PROVISIONS

- 8.1. The parties shall not be held liable for failure to fulfill their obligations under these General Terms and Conditions and the specific Contract resulting from extraordinary technical reasons such as disruption of information systems, interruption of communication lines, power outages, etc. as well as extraordinary circumstances such as natural disasters, nationwide strikes, etc.
- 8.2. In the event of force majeure, the affected party shall inform in writing the other party at the latest by the next working day from the date of occurrence of the force majeure and shall specify the reasons for its occurrence and the possible consequences of it for the fulfillment of the Contract. As long as the force majeure lasts, the fulfillment of the obligations and the counter obligations related to them shall be discontinued.

9. DEFINITIONS

Within the meaning of these General Terms and Conditions and the specific Contract, the terms below shall have the following meanings:

“ARBITRATION PROCEDURE” – A process in which the ICO determine the financial responsibility among their Members for transactions where the card-issuing bank and the MERCHANT’s bank have exhausted the procedure on disputed payments and have not reached an agreement.

“AUTHORIZATION CODE” – alphanumeric identifier obtained from the issuing bank in response to an initiated transaction in confirmation that the transaction is successful

“AUTHORIZATION” – Automated process of verification and confirmation by the issuing bank that at the time of the transaction there are no limitations imposed on the card, that it has not been declared lost, stolen, expired and that there are sufficient funds on it to cover the value of the transaction.

“CONTACTLESS CARD” – a a chip card which allows for a terminal with contactless reader to read the card data which is necessary for payment only by means of approaching the card to the terminal. A contactless medium of card data may be not only a usual plastic card but also mobile phones, stickers glued to a phone,

bracelets, watches and other devices with inbuilt contactless chip.

“CONTACTLESS PAYMENT” – The payment is made by means of approaching a bank card which has a special distinctive symbol to the POS device or a contactless reader connected to it without having to put the card in/pass the card through it. Upon making a contactless payment, the card shall remain with the cardholder.

“CARD BRANDS (TYPES)” – the cards with logo of the respective ICO listed in the Contract which may be accepted as a payment instrument for making payments at POS terminal.

NATIONAL PAYMENT AND CARD OPERATOR, holder of rights to a logo for a type of debit cards with national access in Bulgaria.

“HIGH-RISK MERCHANT” – MERCHANT which exceeds a certain volume of suspicious transactions and/or disputed payments.

“CARD” is a payment instrument within the meaning of the Payment Services and Payment Systems Act and representing a credit or debit payment card issued by a bank or another financial institution.

“CARD DATA” – information related to card payment which is printed, processed or stored in any form on a payment or bank card, such as, but not limited to, card number, validity period, security code, name of cardholder, PIN code, passwords and other unique data which is used upon card transaction.

"CARDHOLDER" – Authorized user of the card – a natural person in whose name the card is issued and whose name is printed on its front side.

"IRREGULAR TRANSACTION" – transaction made with a card or card data obtained illegally as well as with counterfeit or forged card or with misappropriated card data, without the knowledge and consent of the cardholder.

"CHARGEBACK" - request to reimburse, fully or partially, an amount paid through a card with a MERCHANT. The request is made by the card-issuing bank, at the initiative of the cardholder or at its own initiative, in case of technical errors or violations upon accepting the payment or in case of irregular transaction.

"PURCHASE IN INSTALLMENTS" – A type of one-off payment at POS terminal, which allows to account for the transaction amount on the card in a certain number of equal monthly installments. The number and amounts of installments are printed on the payment receipt.

“PURCHASE AND SERVICE” - A type of payment at POS terminal, which allows, upon request by the client, to

add to the purchase amount an additional amount for service (tip).

“CASHBACK” – A type of payment at POS terminal, where an amount in cash which the client wishes to receive from the **MERCHANT** is added to the amount of the purchase made by the client.

“PURCHASE OF VOUCHERS” - transaction where the cardholder purchases electronic vouchers for prepaid services.

“POS RECEIPT” – a document which is automatically printed by the POS terminal upon transaction. In case the transaction is successful, the POS receipt is an official record of the card payment between the **MERCHANT** and the cardholder and permission to debit the account of the cardholder.

The POS receipt shall contain the following attributes:

1. date and time of the transaction;
2. type of card;
3. part of the card number (the remaining digits are masked);
4. name of the **MERCHANT**;
5. address of the **MERCHANT**;
6. authorization code;
7. total amount and currency of the transaction;
8. signature of the cardholder (**only for transactions for which it is necessary**)
9. An indication identifying that the transaction has been made through contactless payment by means of a symbol indicating contactless payment))) or the word “Contactless”, or a combination of the two.

“POS TERMINAL (POINT OF SALE, POINT OF SERVICE)”, in short **“POS”**, is a stationary or mobile physical device provided to a **MERCHANT** in order to accept payments with bank cards.

“PRE-AUTHORIZATION” - preliminary request for authorization in order to block (reserve) an amount on a card to ensure future payment.

“CHARGEBACK PROCEDURE” - Procedure which is initiated by the issuing bank, requesting full or partial reimbursement of an amount paid through a card with the **MERCHANT** due to technical errors or violations upon acceptance of the payment or in case of irregular transaction.

“ACCOUNT” is a current bank account kept by the Bank in the name of the **MERCHANT** and specified by the **MERCHANT** in the **Contract**. Maintaining of the account on the part of the **MERCHANT** is a mandatory condition for fulfillment of the **BANK**'s obligations under the **Contract** and these General Terms and Conditions;

“TRANSACTION” is a single payment or non-payment operation with a card conducted with the **MERCHANT** and registered by the **BANK**, made by a cardholder at a particular point in time.

“CARD-NOT-PRESENT TRANSACTION” (CNP TRANSACTION) is a type of transaction where the **MERCHANT** uses manual entry of card data in POS device without the card being presented physically, with the explicit consent of the cardholder.

“MERCHANT” – a business client of the **BANK** which has concluded a contract for accepting payments with bank cards.

“POS TERMINAL FILE/LOG” – Electronic message which the terminal sends to the **BANK**'s systems to finalize its current business day. Only after a report is sent successfully, the **BANK** considers the transactions of the terminal for the respective business day to be final. Upon sending a file, the POS terminal automatically prints a summary report on the transactions in it.

“CHIP-AND-PIN TRANSACTION” – Transaction where the card chip is read through contact or contactless reading and where the cardholder has identified himself/herself by entering a correct PIN code.

“KEY ENTRY” /MANUAL DATA ENTRY/ - additional functionality of a POS terminal for entering card data manually and initiating transactions without a card being present.

“MO/TO transactions” (MAIL ORDER/TELEPHONE ORDER transactions) – card-not-present transactions where the goods/services have been ordered and the card data has been submitted on paper by the cardholder and has been sent by mail or by fax or e-mail.

“PCI DSS” - Payment Card Industry Data Security Standard. PCI DSS is obligatory for all organizations which process, store or exchange information about cards and their owners.

These General Terms and Conditions have been approved as per Minutes №.... /.... of the Management Board of UBB AD and enter into force as of /01/2019, and they revoke the General Terms and Conditions of United Bulgarian Bank AD on Acceptance of Bank Card Payments with Merchants dated 17/10/2011.