

## UBB AD GENERAL TERMS 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), entered 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 Administrator with number 0006399 of the Commission for Personal Data Protection, with registered and head office address in Sofia City, 5 Sveta Sofia Str., 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) and of other bank accounts. Bank accounts can be payment, as well as non-payment ones (*accounts opened only for storing payment means or for repayment of loans*);

1.1.2. Effecting of payments through using the 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 can 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 either 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, which regulate the terms and conditions for withdrawing and depositing amounts in those.

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

## II. COMMUNICATION BETWEEN THE CLIENT AND THE BANK – BECOMING AWARE OF THE TERMS AND CONDITIONS, NOTIFICATIONS, MESSAGES, ACCOUNT STATEMENTS

### Becoming aware of 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, 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. These General Terms and the Tariffs are maintained available for the Client on a hard copy in the banking halls.

2.1.2. These General Terms, the Bank's Tariffs and any other important to the Client information, related to payment services is available at any time in a specially designated information field on UBB web site [www.ubb.bg](http://www.ubb.bg). The Bank creates prerequisites for Clients to be informed of the updated documents and the amendments thereto, as well to check in the archives part all amendments made since the date of entering into effect of the above documents. The Bank guarantees the unaltered reproduction of the stored information.

2.2. Upon signing the agreement for the respective account, payment instrument or service, the Client declares that he/she has been provided with these General Terms and the respective parts of the Tariffs applicable thereto, has become aware of those and has made an informed decision to sign the agreement.

2.3. The Bank shall employ the due care to inform clients of all amendments to these General Terms and the Tariffs in relation to the terms and conditions for effecting of payments, by disclosing information on that through one or several of the specified ways, as follows:

2.3.1. Detailed information, including all amendments:

- 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 electronic form to Clients, using e-banking, as the notification shall be considered performed since the date, on which the Client could have become aware of the disclosed statement.

2.3.2. Information on availability of amendments:

- a. 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;
- b. in certain cases, through the statements at the ATM terminal devices of the Bank, as the notification shall be considered made since the date when the Client could have been able to receive the statement.

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

#### **Change of interest rates on deposit bank accounts (time 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 – 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 mailing address, provided by the Client to the Bank, as the mailing address can 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.

2.7. Each e-banking client, in accordance with the terms and conditions of the Bank for this type of service, can obtain information on the movement on his/her account/transactions with payment instruments, issued to his/her/its representatives in his/her/its 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 SIGNING 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 shall perform initial registration of the Client only in the presence of its lawful representative or his/her authorized proxy, holding a letter of attorney, complying with the

requirements of UBB, indicated herein. 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. In case upon the initial registration or upon account opening only a proxy has appeared, he/she shall be required to also present a copy of the identity document of the lawful representative.

3.3.2. Certificate of current registration in the Commercial 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, or a certificate of current registration, printed from the Internet page of the Commercial Register and certified with the signatures of the individuals, representing the Account Holder in the presence of the servicing bank employee;

3.3.3. Entities, subject to entry in other registers (non-profit organizations, condominium property, religious organizations and others) shall provide a certificate from the respective register, certified with the signatures of the individuals, representing the Client, issued *not earlier than three months* prior to the request for account opening;

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

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, or be notarized. The document, containing the specimens of the signatures of the individuals, entitled to disposal of an account of a Business Client shall mandatorily be approved by the lawful representative through laying a signature;

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 judgement, 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 utility bills and others of that kind). 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.

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 Business Clients.

3.6. The registration data of the Client can 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 of the occurred change.

3.6.1. Changes in the data about specific payment instruments shall be declared through 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, the Client 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 the data relating to a Client and the presented documents, the Bank may refuse to effect a transaction until the occurred changes in data have been properly verified.

3.7. In case of changes in the persons, authorized to dispose of the amounts in the account, the lawful representative of the Client shall immediately notify the Main branch. In addition a Data Amendment Card shall be submitted, in the cases when entities also use e-banking.

The Bank shall terminate the payment of amounts against a letter of attorney, when it has been notified in writing, that it has been terminated or withdrawn. The Bank shall not be held responsible, when it has not been timely notified in writing of the withdrawal or termination.

### **Authorization**

3.8. The Bank shall provide to its clients sample letters of attorney for effecting actions of disposal of accounts and the funds in those, as well as for certain actions relating to payment instruments. Letters of attorney shall have to be presented in the bank with a stamp of a notary public. Clients may also use other notarized letters of attorney, which shall state explicitly the Account Holder's will for performing the respective actions by the proxy.

3.9. Upon disposal, the proxy shall present an original or a notarized copy of a letter of attorney, entered in UBB's Authorities Verification Electronic System.

3.10. Upon each operation with an account the Client's representative, authorized to dispose of it, shall identify himself/herself with an ID document, in accordance with the letters of attorney and specimens, presented to the Bank. 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 bank may also require other documents to be presented upon account disposal.

3.11. 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.

3.12. Should the presented letter of attorney contain texts of vague application, 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, pursuant to Art. 4.20. and 4.21. of the present General Terms, or refuse the rendering of the service to the client.

3.13. 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, the Bank may refuse the rendering of the service to the proxy without justification of the authorization clauses' interpretation.

3.14. 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.3.13. In the cases of persons, using also electronic banking, a Data Amendment Card shall be additionally submitted.

3.15. The Bank shall accept that letters of attorney for disposal of current accounts shall also apply to deposits, opened to those.

3.16. 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.

#### **Proxies drawn up before a bank employee (according to a sample form of the Bank)**

3.17. The Bank provides an alternative option to its clients' lawful representatives to authorize a person for disposal with the accounts of the legal entity before a bank employee, as the latter together with the authorized person will fill out a proxy– specimen sample form without the need to have the signatures attested by a Notary Public.

3.18. The sample form allows the Client to choose the scope of the proxy's representative power, including the types of payment instruments the proxy would be entitled to dispose of.

3.19. The proxy shall not be not entitled to re-authorize third parties with the rights he/she has been empowered of.

3.20. The disposal through a proxy shall be possible in the branches, indicated in the letter of attorney, without the need to present the document itself.

3.21. In view of the enhanced security, upon filling out the sample form the Account Holder may choose the option that the Bank should not accept other proxies with notarized letters of attorney.

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

3.22. Remote access payment instruments (bank cards, electronic banking) shall be used only by the legal representative of the Account Holder, as he/she shall not be entitled to authorize third parties to effect actions with the payment instrument, nor shall he/she assign it to third parties to effect operations with it.

3.23. The Bank accepts 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. The Bank may refuse the rendering of the service to a proxy, in case of doubt that the proxy will use the payment instrument.

3.24. The Bank shall not accept letters of attorney drawn up abroad (certified by a foreign Notary Public or a Bulgarian Consulate), for receiving payment instruments for remote access to accounts, along with their personalized features and authentication means – bank cards and electronic banking. For this purpose the Client shall have to draw up a proxy before a bank employee (according to a sample form of the Bank) or a letter of attorney with attestation of the signature by a Bulgarian Notary Public.

3.25. An exception shall be made only in cases when the lawful representative of the Account Holder should receive a renewed payment instrument on the latter's behalf under an effective agreement as in this case the lawful representative, in case of being abroad, may use the option for receiving the payment instrument by post.

3.26. The restriction under 3.24. shall not refer to signing of the agreement for the respective remote access instruments, but only to the receipt of the means of access.

**Letters of attorney for receiving cash funds, exchanging bank documents  
or submitting signed payment orders.**

3.27. The lawful representative of a Business Client may authorize a person for certain factual acts – receiving cash funds, exchanging bank documents or submitting payment orders in the bank through filling-out of a bank sample form. The disposal documents shall be signed by the authorizer, while the authorized person shall be their bearer. The letter of attorney shall be presented in the bank separately from the order documents.

**Revocation of a letter of attorney**

3.28. The revocation of the letter of attorney shall be performed in writing by the lawful representative and in person in the Client's main branch or through sending a notification.

3.29. 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 duly notified in writing for the revocation or termination.

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

**Main and additional branch**

3.31. A main branch shall be the one, in which the Client has been registered or which has been subsequently defined as such by the Bank. The Client may have only one main branch.

3.32. The Client shall inform the Main branch of all changes relating to its status, refer to it for negotiating terms and conditions on products (including credit ones) as well as submit and withdraw direct debit consents.

3.33. An additional branch may be any branch of the Bank, from which the Client has requested and has obtained the right to dispose of his/her/its accounts.

**IV. ACCOUNT TYPES**

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

4.1.1. Current accounts;

4.1.2. Time deposits to a current account (which are bank accounts within the meaning of these General Terms);

4.1.3. Deposits, constituting separate accounts;

4.1.4. 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.

4.1.5. Liquidation accounts for storage of funds of entities in liquidation;

4.1.6. Accounts of state budget spending entities;

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

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

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

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

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

#### **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 can use an overdraft on the account up to a preliminary defined limit on the grounds of a separate agreement, signed with the Bank.

4.6. The Bank offers a "cash management" service under terms and conditions, specified in a separate agreement.

4.7. 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.

#### **Time deposits to account**

4.8. Agreement for a time deposit to an account can 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 time deposit to be opened. The individual features of the selected deposit type shall be indicated in the respective agreement and the Tariff.

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

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

4.10.1. The deposit may be renewed for the same period, as the principal could include also the accrued interest from the previous period;

4.10.2. 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;



4.10.3. The deposit may be terminated, as the principal and the accrued interest could be posted to the account, to which the deposit has been opened;

4.10.4. 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.

4.11. The Client may terminate an Agreement for a time 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.

4.12. 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.

4.13. In case of termination of an agreement for a time 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**

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

1. capital raising for incorporation of a legal entity;
2. for increasing the capital of an already established legal entity;
3. for raising the full amount of the company's capital increase, as registered with the respective District Court

4.15. In case a Client requests opening of a retention account in a foreign currency, other than euro (EUR), he/she/it shall agree to take the risk of a change in the exchange rate, which may bring about a change in the value of capital.

4.16. 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 Registry Agency that the company has been established and the establishment has been properly registered. No partial disposal of funds shall be allowed.

4.17. 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**

4.18. 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**

4.19. 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**

4.20. 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.

4.21. 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 Rates**

4.22. 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 FCC shall not bear interest.

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

5.1. Account funds shall be disposed of through payment documents prepared by the Bank, 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 effect 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.

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 for determining the way of expense allocation 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, 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 being 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 the Client has:

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

b. Entered a PIN code on a terminal device, respectively has signed a receipt from a POS – terminal (upon transactions with a bank card, for which there is no requirement to enter a PIN code);

c. Indicated a card number, validity deadline, security code and names upon performing of internet, phone and postal transactions.

### **Deadlines, terms and conditions for submission of orders and effecting of payment operations (credit transfer, direct debit, mass payroll and cash transfer)**

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 FCC. When the payment order is received on a non-business day, it shall be considered received on the next business 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 for effecting 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 can view it through the E-documents menu, 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 can submit his/her direct debit consent to the Bank, in which she/he can indicate terms and conditions, under which the Bank is to debit her/his/its account upon a beneficiary's order. A copy of the consent shall be sent to the beneficiary.

The client can 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.

5.9.5. 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's administration costs for the cancellation shall be borne by the Account Holder and up to an amount, determined in the effective FCC.

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 local and foreign persons/entities 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 FCC.

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 incorrectly received funds in an account of another holder due to an error of a Provider of payment services, 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 etc.*), as well as for fees and commissions, payable to it by the Account Holder for effected 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 can 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 can also dispose of his/her/its accounts remotely, by using remote access instruments - e-banking - after signing a separate agreement for e-banking and company debit cards - after signing an Agreement for debit card issuing;

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 10 days after signing the respective agreement.

6.2.2. After signing an agreement for e-banking, the respective passwords, certificates or password generators shall be provided to the Client within 5 business days.

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 issued payment instrument and the respective means for its use and store them reliably and safely, by protecting them from being lost, stolen, forged, from unauthorized access, or usage in another illegal manner, destruction, breaking, scratching, demagnetizing 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 treatment in the Bank.

### **Notification 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 approved by the Client and of an error or irregularity upon administering the account, found by the latter.

6.8. After notification in accordance with Item.6.6 and Item.6.7 the Bank shall block the payment instrument.

6.9. The notification regarding the e-banking shall be performed over the phone (indicated on the Bank's website) or in writing, through submitting a *Data Amendment Card* in the branch, in which the E-banking agreement has been signed, as in case of impossibility, the Client shall notify the nearest branch. The Client has the possibility to block on his/her/its own the access to his/her/its accounts through the e-banking channels, by entering into the system his/her/its user number and password and by choosing from the "Self Service" menu the "Certificate Block" function.

6.10. Upon availability of objective reasons<sup>1</sup>, the Bank may re-issue/block the payment instrument, while notifying the Client as soon as possible.

## VII. ELECTRONIC BANKING

7.1. UBB clients can use electronic banking (Internet banking at web address <https://ebb.ubb.bg>), 24 hours a day, seven days a week, as payment orders are executed within the business hours of the Bank in accordance with the specified in the Tariffs deadlines for acceptance and processing of BGN and FX transfers. The terms and conditions and instructions for using the service are published at the Electronic banking web page in "Security", "Frequently Asked Questions" and "Help" sections.

7.2. The bank shall generate a user number, issue a digital certificate for access and a password personally to the individuals, approved by the lawful representative of the Account Holder and having the necessary rights for work in the system. Instead of a digital certificate, issued by the Bank Clients can use also a QES (Qualified Electronic Signature), issued by a provider of authentication services, approved in advance by UBB, as the Holder of the QES shall have to coincide with the Holder of the accounts with the Bank and the author of QES shall have to be a person, empowered by the lawful representative.

7.3. For active e-banking operations the Bank also requires the inputting of the following dynamic passwords:

7.3.1. a password received by an SMS to a mobile number with a Bulgarian mobile operator,  
or

7.3.2. a password generated by a hardware device ("U-code"), property of UBB, which is provided to the client for use, as the Client is able to choose the manner for receiving the passwords.

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<sup>1</sup> **Objective reasons** shall mean: inclusion of the card in a list of compromised payment instruments, received from an International Card Organization or availability of data for the card's usage at devices, for which the Bank has been supplied with information that those have been subject of manipulation; availability of a technical problem with a card lot; pre-term mass reissuing due to migration to a new standard or to a new software system, etc.

7.4. The signing of the Client's orders to the Bank, based on a digital certificate or a user number/verified with the bank email address and a password shall have the effect of an electronic signature within the meaning of the Electronic Document and Electronic Signature Act. This electronic signature shall have the equivalence of an autographic signature in the relations between the Bank and the Client.

7.5. The services of Electronic banking shall be used only upon the order of the Client's lawful representative. The empowering for signing an agreement for electronic banking or receiving of authentication means shall have to be expressly made for the purpose through a letter of attorney compiled upon observing the provisions of 3.22. – 3.25. hereof. The bank shall be entitled to refuse acceptance of a letter of attorney, containing provisions which are either incorrect, unclear or in discrepancy with such, contained in other already provided documents.

7.6. Electronic banking offers the following services:

*information about current balance on accounts;*

*information about account movements;*

*client position inquiry; POS transactions inquiry 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 foreign currency between accounts of the client at the Bank's exchange rate for the respective day;*

*submitting of additional documents, required for the respective fund transfer type – declarations, statistical form and others;*

*information about credit cards – disposable limits inquiry, latest monthly statement, latest transactions, repayment of a drawn down credit limit;*

*submitting of orders for trade in securities, for which an agreement for brokerage services has been signed in advance at a bank's branch;*

*registration for electronic account statement; changing of system access password.*

*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 clients through the respective channels and at its internet page.

7.8. The bank shall have the right to set restrictions for certain operations, in accordance with the enactments and its rules on security, published at <https://ebb.ubb.bg>.

7.9. 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.**

7.10. Any change in the electronic banking shall be implemented after submitting a Data Amendment Card with the necessary changes, signed by the Client.

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

7.11.1. Transfers between local and foreign persons/entities, and 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;

7.11.2. The Bank may require the presentation of documents in electronic or paper format, in accordance with the requirements of the effective legislation;

7.11.3. 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.

7.12. The Client shall receive information after effecting an operation through the respective electronic banking channels, as it shall be his/her personal responsibility to keep himself / herself updated with this information on a regular basis.

## **VIII. BANK CARDS**

8.1. 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.

The bank cards, issued by UBB can be used in this country and abroad.

8.2. To a current account of a Business Client the Bank shall issue either Maestro or MasterCard, or VISA International debit company cards to individuals (cardholders), specified by it.

8.3. 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.

8.4. 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 can 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 can dispose of the funds in the account of the main Holder only through the issued debit cards.

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

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

8.7. 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 Terms

9.1.1. The bank shall not be held responsible for deals and legal relations, with regard to which the respective payment instrument or bank account is 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.

9.1.2. 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.

9.2.1 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.

9.2.2 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.

9.2.3. 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.

9.3. 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.

9.4. 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.

9.5. 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.

9.6. 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.

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

9.8. 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.

9.9. 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.

9.9.1. Informing without unjustified delay shall mean within the same calendar day, on which the Client has become aware of the effected but unauthorized by it transaction;

9.9.2. 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.

9.9.3. 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.

9.10. 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.

9.11. 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:

9.11.1. The Client has failed to observe the requirements and the recommendations of the Bank, described in Security Section, published at the Electronic Banking page, 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;

9.11.2. 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)**

9.12. 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, specified in the Bank's Tariff, irrespective of the reimbursement efforts' outcome.

#### **Imprecise text data**

9.13. 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 erroneously effected payment operations**

9.14. The bank shall be held responsible for consequences occurred as a result of imprecisely effected orders of the Client.

9.15. 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.

9.16. In case the Client is a beneficiary of an imprecisely effected transfer, as a result of an 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 has been informed of the error. The Bank shall make the rectification within 5 days of receiving the rectification request from the payer's provider of payment services.

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

9.17. In case of a payment operation disputed by the Client the Bank shall reimburse to it the amount, subject of the unauthorized operation, in case within the deadline as per Item. 6.6 and Item.6.7 of Section VI, in relation to Item 9.9 of the present Section, the Bank has been informed by the Client about the unauthorized payment operation and the latter has proven that the payment operation has not been authorized by it and/or has been imprecisely executed by the Bank in accordance with Art. 9.8. of the present Section. In such cases the Bank shall deduct the amount of BGN 1 000 (one thousand Bulgarian leva). 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.

9.18. 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.

9.19. 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.

9.19.1. 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.

9.20. The establishing of malice or utter negligence in relation to observing the Bank's instructions for protection of the payment instrument can 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.

9.21. 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 BREAKING 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. Upon a 14 (fourteen) –day written notice, sent to the most recent address, provided by the Client, which may also be an electronic one;

10.3.2. After expiry of the period, for which the account has been opened or upon 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. A notice in writing by the Client for refusal of cards' re-issuing, submitted one month prior to expiry of the cards' 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. a 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.

10.8. 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) can 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.

10.11. Upon terminating contractual relations in accordance with this item the Bank shall take into account the lawful interests of the Client.

### **Breaking of agreements for accounts /payment instruments**

10.12. 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.

10.13. 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 itself periodically informed from those.

### **Accounts, non-covered by the guarantee**

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

1. Other banks, when the deposits have been opened on their behalf and at their expense;
  2. Financial institutions pursuant to Art. 3 of the Credit Institutions' Act;
  3. Insurance and reinsurance companies under Art. 8 of the Insurance Code;
  4. Pension Assurance Companies and Compulsory and Voluntary Pension Assurance Funds;
  5. Investment Intermediaries;
  6. Collective investment schemes, national investment funds, alternative investment funds and Special Purpose Vehicles;
  7. State Budget spending entities under § 1, Item 5 of the Additional Provisions of the Public Finance Act;
  8. 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 with an enforceable judgement.
- 11.7. Deposits, which holder has not been identified pursuant to Art. 3 of the Measures Against Money Laundering Act as of the date of issuance of a deed under Art. 20, Para. 1 of the Bank Deposit Guarantee Act, shall NOT be paid either.

#### **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 obligations of the Bank to the Client up to the guaranteed amounts. The payment shall be made by one or more banks, specified in a list, issued 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, since 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 effected.
- 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 Bank Deposits Guarantee Act.
- 11.11. Upon availability 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 since 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 dispute's settlement or the legal right's ascertainment;

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

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

11.12. In order to receive the guaranteed amount, the Client shall have to 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 neither a spouse, nor a relative to individuals in a direct or collateral line of descent up to second degree, including such, 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. An entity, which claims to be a depositor but has been denied reimbursement of amounts under the deposit within the limit under Art. 11.1. and within the deadlines under Art. 11.10. or 11.11., or which disagrees with the amount of the sum, reimbursed to it, 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 assignee in bankruptcy of the bank. The conservator, temporary administrator or special manager, liquidator, temporary trustee in bankruptcy or the assignee in bankruptcy shall render their judgement on the objections within a period of 7 days from their receipt. In case the objection has not been granted, the entity may claim its rights pursuant to the Civil Procedure Code.

## **XII. PERSONAL DATA**

12.1. Pursuant to the Personal Data Protection Act (PDPA) with the signing of an agreement for opening an account, issuing a card, using electronic banking services, or another payment service, including the Call Centre Services, the lawful representative of the Client shall have to provide his/her consent for the Bank:

12.1.1. To process personal data of representatives/ employees of the Client, received under the conditions of the particular agreement, including together with other personal data, which the Bank has been lawfully provided with by third parties, including other administrators of personal data;

12.1.2. To make a check of the provided personal data from independent sources, as well as use the provided personal data, in case of need depending on the product, before government authorities and institutions, credit registers and bureaus, commercial companies, incl. banks and others.

12.1.3. In the cases permitted by law to provide personal data to third parties [REDACTED], including in other countries, such as: state and municipal authorities and institutions, insurance and health insurance companies, credit registers and bureaus, entities specialized in risk analysis and assessment, collecting of receivables or preventing and establishing illegal actions, including crimes; as well as effect electronic cross-border transfer of data, necessary for effecting international transactions, by providing these data to payment systems' operators and other entities, specialized in processing of transactions with payment instruments;

12.1.4. To process the personal data provided by the Client for statistical and marketing purposes, as well as provide personal data to a data processing company, for the purpose of providing account statements;

12.1.5. To process personal data also after terminating the provision of payment services, when this is needed for fulfillment of a regulatory obligation of the Bank, protection of its lawful interests and other cases, permitted by law.

12.2. The Client shall be entitled to submit at any time an application to the Bank in the format, required by law, by which:

12.2.1. To request that the Bank should obliterate, adjust or block personal data of his/her/its representatives/employees, the processing of which does not comply with the requirements of the PDPA, as well as terminate the processing of personal data for direct marketing purposes;

12.2.2. To obtain information on the type of data, relating to its representatives/employees, which data is being processed by the Bank, as well as of its source, in case such data has not been collected from the Account Holder;

12.2.3. To be informed what personal data has been provided to third parties and for what purposes.

### **Recording conversations with a client**

12.3. With the current General Terms the Client shall give its consent for having conversations, held between its representatives and the Call Centre, other employees of the bank, as well as with third parties/individuals, which on behalf of the Bank hold conversations with clients in relation to the payment services, recorded by the Bank for the purpose of improving the service and making a check upon complaints by clients. The bank shall provide these recordings only to the Client in person upon the latter's demand or to the competent government authorities, in accordance with the procedure, envisaged by law.

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

13.1. Each Client may file a complaint in relation to the use of payment services in the most convenient manner for it: at any branch of UBB; through the Bank's Internet site; at the document entry desk with the bank's Head Office.

13.2. The complaint may be filed on a standard form of the Bank or in a free text format, as the Client shall mandatorily state: company name and Company Identity Number, representative (at least two names), exact address, telephone /e-mail for contact, manner of receiving feedback and a signature, as well as /or an incoming number of a submitted complaint before the Ministry of Interior, as a result of illegally performed actions by third parties.

13.3. Within a 7 (seven)-day period the Bank shall reply in the manner, indicated by the Client, or shall inform the Client of the period, within which it will 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 a Client has submitted a report with the Ministry of Interior, including having provided its consent for disclosure of facts and circumstances, which represent bank secrecy, the Bank shall assume that it may disclose the necessary information /respectively bank secrecy / before the authorities of the Ministry of Interior in line with the duly disclosing of effected illegal actions.

## **FINAL PROVISIONS**



§1. In case of discrepancy between the stipulated in these General Terms and the agreement for a payment service, the agreement's provisions shall prevail. 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.