

## GENERAL TERMS AND CONDITIONS FOR THE PROVISION OF POS TERMINALS AND ACCEPTANCE OF PAYMENT CARDS

**ProCredit Bank (Bulgaria) EAD**, UIC 130598160, having its seat and registered office at: 26 Todor Aleksandrov Blvd., 1303 Sofia and e-mail address: [contact@procreditbank.bg](mailto:contact@procreditbank.bg) is a company registered in the Republic of Bulgaria and entered in the Commercial Register and the Register of Non-profit Legal Entities kept with the Registry Agency of the Republic of Bulgaria.

The company operates as a Bank pursuant to a Licence issued by the Bulgarian National Bank (BNB), in its capacity of the competent supervisory body for the BANK's activities. As a payment service provider, the BANK provides payment services and performs related payment transactions, which are subject of these General Terms and Conditions.

### I. GENERAL PROVISIONS

These General Terms and Conditions are intended to regulate the relations between ProCredit Bank (Bulgaria) EAD and the Merchant in connection with the acceptance of payments made with payment cards on terminals provided by the Bank.

As used in these GENERAL TERMS AND CONDITIONS FOR THE PROVISION OF POS TERMINALS AND ACCEPTANCE OF PAYMENT CARDS, the following terms and abbreviations are understood to mean:

**THE BANK - PROCREDIT BANK (BULGARIA) EAD;**

**MERCHANT** - a legal/natural person being the counterparty to a specific legal relationship with the Bank, subject to these GENERAL TERMS AND CONDITIONS FOR THE PROVISION OF POS TERMINALS AND ACCEPTANCE OF PAYMENT CARDS;

**CLIENT** - any natural/legal person who has made a payment for goods/services on a terminal of the MERCHANT by using a payment card;

**POS terminal** - an electronic device that, by reading a bank card, allows the transfer of funds from the buyer's bank account to that of the merchant.

#### 1. The BANK provides the following types of terminals:

- 1.1 Physical POS terminal - a fixed or mobile physical POS terminal provided and serviced by the Bank. It is used by the Client to carry out commercial activity on the territory of the Republic of Bulgaria, by accepting and making payments with payment and prepaid cards in the presence of the authorized user and the card.
- 1.2 Virtual POS terminal - the service is provided by the Bank, which, through its integration with the Client's website, allows acceptance of payments with payment and prepaid cards.
- 1.3 Software POS terminal - a licensed software application that is installed on a physical smart device with Android operating system. It is used to accept payment card payments in the presence of an authorised card user.

#### 2. The payment card brands that can be accepted for cashless payment at a terminal are: Mastercard, Maestro, Visa, Diners Club International, Bcard and other payment and prepaid card brands approved by the Bank.

#### 3. All types of terminals provide the following basic functionalities when working with payment cards:

- 3.1 Accepting payment (purchase);
- 3.2 Cancellation of payment (reversal/refund);
- 3.3 The Merchant may request the use of an additional authorisation service (amount blocking) with or without the physical presence of a payment card.

#### 4. On the basis of the Contract concluded with the Bank, the Merchant may accept payment card payments through:

- 4.1 Physical POS terminal:
  - contact reading of payment card magnetic stripe/ chip;
  - contactless reading of a payment card when such card functionality is available;
  - additionally providing a service for making a payment without the physical presence of a payment card.
- 4.2 Virtual POS terminal - can accept payments through its website using 3DS Secure protocol for internet payment security. Additionally the Merchant may request the use of an additional authorisation service (amount blocking).
- 4.3 Software POS terminal - by contactless reading of a payment card.

### II. RIGHTS AND OBLIGATIONS OF THE MERCHANT

5. The MERCHANT shall be obliged to accept payments at the Bank's POS with payment cards according to the procedure and method described in the User Guide (for a physical POS terminal) and to follow the instructions in the Implementation Guide (for a virtual POS terminal).

6. The MERCHANT shall be obliged to notify its clients of the possibility to make payments with bank cards, as well as the related procedure and conditions, by placing information in a visible place at the business site/website concerning the possibility to accept such payments.

7. The MERCHANT shall be obliged to look after the terminals provided to it by the BANK in good faith, not to change the location of the POS terminals without the BANK's consent. Upon termination of the use of the POS terminal service to also return to the BANK the additional accessories provided to them

7.1 The MERCHANT shall be obliged to pay all ongoing consumable and maintenance costs during its use.

7.2 The MERCHANT shall be entitled to maintenance of the POS terminal device free of charge, unless the failure is caused by the MERCHANT. In the event that the failure of the device was caused by their own fault, which is established by a report issued by competent persons performing delivery or service of POS terminal devices, the MERCHANT shall be obliged to pay the cost of repair.

7.3 In case of perishing of the POS terminal device or in case the damage caused by the MERCHANT's fault cannot be remedied, the MERCHANT shall pay the market value of the damaged POS terminal.

8. The MERCHANT shall be obliged to be familiar with the distinctive requisites of the bank cards allowed for acceptance and the procedures for servicing them at a POS terminal, as described in the User Guide, as well as to determine and authorise for work with the POS terminal devices only those employees who have been previously trained to work with a POS terminal and who have been found thereby to be familiar with the distinctive requisites of the bank cards.

9. The liability for errors in accepting payments with bank cards, which are the result of negligence, carelessness, and/or non-compliance with the requirements of the Instructions, of these General Terms and Conditions, of the Contract and/or are a consequence of acceptance of card payments by employees who are untrained and unauthorised by the MERCHANT at its sites shall be borne entirely by the MERCHANT up to the amount of any payment accepted by the MERCHANT/its employee, which has been disputed by the cardholder's bank, and for which the liability of the BANK was engaged, as well as for the damages caused to the cardholder and to the BANK.

#### 10. The MERCHANT shall be obliged:

10.1 To not use the terminals provided to them by the BANK for purposes contrary to the law, including making payments for the acquisition of goods or services prohibited by the applicable Bulgarian/European legislation, the rules of the International Card Organizations and/or undermining their reputation, goods with unsettled copyrights, including those whose production and/or distribution threatens or harms the person, rights of citizens, property, the legal system established under the Constitution of the Republic of Bulgaria or other rights and interests protected by law.

10.2 To refuse payment upon receiving an order to retain the card from the POS terminal, suspicion of theft, counterfeiting or other illegal use of the card. Suspicion for the purposes of this Contract shall be considered to be caused by any discrepancy of the card offered for payment with each of the parameters of the card described in detail in the Instructions for Servicing Payments with Bank Cards bearing BORICA, Visa and Mastercard logos. The MERCHANT shall undertake to make utmost efforts to retain unlawfully used cards and to undertake the relevant actions laid down in the enclosed Instructions.

10.3 Not to reproduce and disseminate, nor to disclose to third parties information on the cards and the cardholders that has become known to them in connection with the execution of the contract concluded for this purpose with the Bank. To keep the documents related to the acceptance of card payments in a manner that ensures their confidentiality.

11. The MERCHANT shall be obliged to comply strictly with the provisions of the legislation in force relating to the exercise of its activity and in particular, but not only, to comply with the legal provisions concerning transactions concluded remotely and/or those concluded away from the business premises, as well as any provisions relating to consumer protection.

12. The MERCHANT shall be entitled to request receiving statements on

the posted card transactions at the POS terminals provided to them, accessible through the Electronic Banking of the BANK.

13. The transaction commissions provided for in the Contract shall be deducted by the BANK from the amount of the transaction prior to crediting the MERCHANT's account. Any commission charged for a transaction will not be refunded in case the MERCHANT returns the transaction amount to the CLIENT.

14. The MERCHANT shall pay the fees and commissions specified in the Tariff of the BANK based on the average monthly POS turnover. The average monthly POS turnover is calculated by dividing the total monthly turnover generated by all POS devices (physical, virtual or software) of the respective MERCHANT by the number of terminals. The average monthly turnover is calculated for the last 12 months from the 26th of the previous month to the 25th of the following month, inclusive.

### III. RIGHTS AND OBLIGATIONS OF THE BANK

15. For making card payments under the Contract concluded with the BANK, it shall provide to the MERCHANT:

15.1 POS terminal(s);

15.2 Instructions on Servicing Payments with Bank Cards bearing BORICA/Visa/Mastercard logos, User Guide and Instructions for Acceptance of Card-not-present Payments, comprising an integral part hereof, which may be accessed through the BANK's website in the POS Terminals section.

15.3 Advertising materials showing the types of bank cards with which payments can be made in the specific retail outlet.

16. The BANK shall have the right to collect fees, to reimburse expenses incurred in connection with non-compliance with the Contract and to reimburse damages suffered by the Bank.

17. The Bank shall be obliged to transfer to the account of the MERCHANT the amounts of the executed payments under the terms and conditions laid down in Chapter V. PAYMENTS of these General Terms and Conditions.

18. The BANK may refuse to make a payment in the event of non-compliance by the MERCHANT with any of the conditions specified in these General Terms and Conditions and/or in the concluded contract and/or in the Instructions for Servicing Payments with Bank Cards and/or the Instructions for Acceptance of Card-not-present Payments.

19. The Bank undertakes to inform the MERCHANT:

19.1 of each disputed payment received, the reasons for the chargeback, as well as any subsequent developments of the case;

19.2 of each transaction at its site declared fraudulent by the card issuer;

19.3 of each case of violation alerts in the processing of card transactions.

### IV. SPECIAL CONDITIONS FOR ACCEPTING CARD-NOT-PRESENT PAYMENTS ON A PHYSICAL POS TERMINAL (KEY ENTRY SERVICE)

20. The MERCHANT may be given the opportunity by the Bank to make payments for its own benefit by entering card details from the keypad of a POS terminal (KEY ENTRY functionality) which have been provided to them by the authorised card user and for which it has obtained the latter's written consent in relation to specifically specified purchases of goods/services or payments of penalties or additional costs associated with such purchases/sales.

21. The MERCHANT confirms to the Bank that it is aware of and unconditionally agrees to comply with the rules for making card-not-present payments with payment cards as reflected in these General Terms and Conditions and the Instructions for Acceptance of Card-not-present Payments, for which it accepts full responsibility for his/her actions.

22. The MERCHANT unconditionally and irrevocably assumes, at its own expense, all risks in accepting card-not-present payments with payment cards, as well as the losses associated therewith, including those imposed on the Bank as a result of accepting such payments at the Customer, which include, but are not limited to, penalties from the International Card Organizations (ICOs) and other competent institutions.

23. The MERCHANT shall make a card-not-present payment, following the descriptions in the Instructions for Acceptance of Card-not-present Payments, upon receipt of a signed card debit form / guaranteed reservation form (mail order sample form) by which the cardholder authorizes the MERCHANT to receive the amounts due from him by debiting the bank card specified in the relevant form.

24. The mail order sample form for debiting of card/guarantee of reservation should contain mandatory information (requisites) to be filled in.

25. The MERCHANT undertakes to develop his own form for making

card-not-present payments, applicable to the specific goods/services to be paid for in this way.

26. The MERCHANT undertakes that card-not present payments shall not exceed 20% of all bank card payments accepted by the MERCHANT.

27. The MERCHANT undertakes to keep critical card parameters subject to the PCI DSS (Payment Card Industry Data Security Standard), available at <https://www.pcisecuritystandards.org/>

28. The MERCHANT declares its commitment to compliance with the PCI DSS standard.

29. The BANK is not a party to the legal relations between the Merchant and its clients concerning the sale of goods and services, their quality and/or quantity delivered, the terms of delivery/performance, the conditions for reimbursement of amounts to clients, warranty conditions, conditions for payment of penalties and additions to the originally agreed and paid price, etc.

30. The MERCHANT shall be obliged to obtain the written consent of the authorized card user for the deduction of additional amounts before making their payment in its own favour by making a card-not-present transaction.

### V. PAYMENTS

31. Card payments under this Contract shall be made by crediting the account of the MERCHANT (hereinafter referred to as "the Account") opened with ProCredit Bank (Bulgaria) EAD with the value of the payment transaction, commission, the relevant reference number and the payment transaction date. The MERCHANT shall have the right to receive upon request and after payment of a fee, according to the Tariff for Legal Entities of ProCredit Bank (Bulgaria) EAD information on the exchange fee paid by the BANK on the transactions reflected in its account.

32. Payments in favour of the MERCHANT shall be executed on the first business day for the BANK as of the transaction date.

33. For each card payment with the MERCHANT, the parties to this Contract agree that the MERCHANT shall pay to the BANK remuneration for the provided service, in the form of a commission determined in accordance with the current Tariff for Legal Entities of ProCredit Bank (Bulgaria) EAD. The exchange fee and the fee under the relevant card scheme shall be paid by the Bank. The amount of the exchange fee for card transactions carried out with payment/pre-paid cards issued by payment services providers having their seat in the European Union/the European Economic Area shall be: for a debit card of a natural person – 0.2%, for a credit card of a natural person – 0.3% and for a debit and credit card of a legal entity – from 0.3% to 1.70% or a flat fee of BGN 0.40. The MERCHANT may find information on the current amount of each of these fees on the Bank's website, "For Companies", "POS terminals" section. The amount of the scheme fee for card transactions performed by a natural person/legal entity with debit/credit/prepaid cards issued by payment service providers based in the European Union/European Economic Area (VISA, MASTER, BORICA, Cirrus, Diners, Discovery) is 0.20%.

34. The MERCHANT shall pay to the BANK monthly rent for each provided POS terminal as per the current Tariff for Legal Entities of ProCredit Bank (Bulgaria) EAD.

35. The commissions/fees/rent due under items 14, 33 and 34 shall be determined on a monthly basis, taking into consideration the average monthly POS turnover and where the MERCHANT uses more than one POS terminal, the average monthly turnover shall be calculated in total based on all POS terminals installed.

### VI. DISPUTED PAYMENTS.

36. When information is received that a POS transaction dispute request has been received, the BANK shall block the transaction amounts in the Merchant's accounts and notify the Merchant of the dispute.

37. The merchant undertakes to provide all documents relevant to the disputed transaction to the BANK within 3 business days from the date of notification.

38. The BANK and the MERCHANT agree that in the event of a disputed transaction via any of the Card Schemes made at a POS terminal (physical, virtual or software) of the Merchant, the rules and procedures of the relevant Card Scheme shall apply.

39. In the process of establishing the grounds for the dispute, the BANK shall be guided by the aforementioned rules and procedures of the card schemes, the applicable Bulgarian and European legislation, the provided purchase contract (if any) and the applicable general terms and conditions of the MERCHANT, information received from competent local and international institutions.

40. When the dispute procedure ends unfavourably for the MERCHANT, the BANK shall debit the MERCHANT's account with the amount of the disputed transaction and any additional costs incurred in the course of the

dispute. Where the dispute is resolved in favour of the MERCHANT, the BANK shall release the blocked amount to the MERCHANT's account.

41. Upon receipt of information on payments with stolen, forged and irregular bank cards, the BANK shall have the right to visit the MERCHANT without warning and to perform an on-site check. The MERCHANT must assist and provide any information requested by the BANK.

42. The BANK can segment the MERCHANT and assign the MERCHANT a certain risk classification establishing different levels of risk for transactions above the minimum requirements for volumes and number of transactions according to the requirements of the International Card Organisations and shall have the right to demand from the MERCHANT immediate suspension of card payments, of which it shall inform it via the ProB@nking Internet banking system.

43. With the written consent of the MERCHANT, the BANK may initiate arbitration proceedings before the Arbitration Committees of the International Card Organisations, whereby all fees and commissions shall be at the expense of the MERCHANT.

## **VII. LIABILITIES**

44. Where payment by bank cards is not made in the manner provided for in the Contract, these General Terms and Conditions or the Instructions for Use of a POS Terminal, the BANK shall have the right not to transfer to the Merchant and/or to withhold the amounts already transferred with the relevant transactions and/or to request additional documents to clarify the payment and/or to block the account balances until the transactions are clarified. In such case, the BANK has the right to suspend the additional services used by the MERCHANT.

45. The MERCHANT shall be liable for any damages resulting to the BANK or customers from the failure to protect the security of data received from the MERCHANT in connection with the execution of card-not-present transactions and for payments made on the basis of erroneous data, as well as for any other damages by a Client resulting from card-not-present transactions.

46. The Bank shall not be liable for any damages and/or loss of profits suffered by the Merchant as a result of transactions made by or related in any way to card-not-present transactions.

## **VIII. TERMINATION OF CONTRACTUAL RELATIONS**

47. Each of the parties has the right to unilaterally terminate its contractual relations by giving one month's notice in writing sent to the other party via the ProB@nking Internet banking system of the Client, unless otherwise agreed in the Contract. The term of the notice shall be deemed to start from the date on which the message is placed in the Client's ProB@nking Internet Banking.

48. The BANK has the right to unilaterally terminate its contractual relationship with the MERCHANT without notice in case of data of suspicious transactions, a request by international card organisations, systematic violations of the rules of operation by the MERCHANT, and other Force Majeure circumstances that cannot be removed in a timely manner and which impede the implementation of this Contract, for which the Bank shall notify the MERCHANT via the ProB@nking internet banking system.

49. Upon the occurrence of any of the conditions for termination set out in the Contract signed with the BANK, the latter shall account in the MERCHANT's account all transactions performed with a card.

50. The termination of contractual relations does not release the parties from responsibility to perform their respective obligations that are agreed as a consequence of the termination. The MERCHANT shall pay a fee for closing a terminal according to the current Tariff of ProCredit Bank (Bulgaria) EAD for Legal Entities.

## **IX. FINAL PROVISIONS**

51. An integral part of these General Terms and Conditions shall be the General Terms and Conditions for Payment Services, the Tariff of the BANK, the Interest Rate and Exchange Rate Bulletins and the specific terms and conditions applied by the BANK to individual products and types of payment transactions, including up-to-date versions of the following documents: Instructions for Servicing Payments with Bank Cards with BORICA/Visa/Mastercard logos, User Guide and Instructions for acceptance of Card-not-present Payments.

52. For all matters not expressly provided for in these General Terms and Conditions, the Tariff of the BANK, the Interest Rate and Exchange Rate Bulletins and the applicable specific terms and conditions, the effective Bulgarian law shall apply.

53. All issues of dispute between the Parties shall be resolved through negotiations. Failing to reach mutual agreement, the dispute may be referred for hearing to the competent Bulgarian Court.

54. Any notice given by the BANK to the MERCHANT shall be deemed to

have been received by the MERCHANT when posted on the ProB@nking Internet banking system unless otherwise agreed in the Contract.

55. The General Terms and Conditions, the Tariff of the BANK, the Interest Rate and Exchange Rate Bulletins may be amended and supplemented at all times by the BANK and the amendments shall apply to all uncompleted legal relations as agreed in the Contract.

These General Terms and Conditions were adopted by a decision in MB Minutes No 933/07.06.2024 and shall enter into force with effect from 30.06.2024