

**GENERAL TERMS AND CONDITIONS  
OF MUNICIPAL BANK PLC FOR PAYMENT ACCOUNTS AND PAYMENT SERVICES TO  
CORPORATE CUSTOMERS**

**I. GENERAL PROVISIONS**

**Information about Municipal Bank**

1. Municipal Bank PLC (hereinafter referred to as the "Bank") is a commercial company registered with the Commercial Register and the Register of Non-Profit Legal Entities at the Registration Agency with Uniform Identification Code (UIC) 121086224, with seat and registered office at: 6 Vrabcha Str., Sofia, e-mail: [www.municipalbank.bg](http://www.municipalbank.bg).

2. Municipal Bank PLC is a credit institution carrying out banking activities in the country and abroad based on license No. Б16, issued by the Bulgarian National Bank (BNB).

3. Municipal Bank PLC is a provider of payment services within the meaning of the Payment Services and Payment Systems Act (PSPSA) and operates in compliance with the applicable regulations in the Republic of Bulgaria and under the supervision of the BNB.

**SUBJECT AND SCOPE OF THE GENERAL TERMS AND CONDITIONS**

4. These General Terms and Conditions of Municipal Bank PLC for Payment Accounts and Payment Services to Corporate Customers (General Terms and Conditions) shall regulate the relations between the Bank and the payment services user (Customer) relating to opening, servicing, transferring and closing payment bank accounts, the operations performed on them, the rights and obligations of the parties when performing payment services and providing remote access to payment accounts.

5. The payment services provided by the Bank shall be as follows:

5.1. Cash depositing services for a payment account, as well as the associated payment account service operations;

5.2. Cash withdrawal services for a payment account, as well as the associated payment account service operations;

5.3. Execution of payment transactions when the funds are part of a granted loan:

(a) Execution of direct debits, including one-off direct debits;

(b) Execution of credit transfers, including periodic transfer payment orders and group payment orders;

(c) Execution of available money transfers;

5.4. Issuance of payment instruments and execution of payment operations by payment cards or other similar instruments;

5.5. Payment initiation services;

5.6. Account information provision services;

5.7. Others that the Bank may create for use by the Customer.

6. The General Terms and Conditions shall be an integral part of the arrangements concluded between the Bank and the Customer, such as framework agreements for payment accounts, debit payment card issuing and servicing agreement and online/mobile banking agreement, collectively hereinafter referred to as the "Agreement".

7. In the event of a conflict between the Agreement and the General Terms and Conditions, the provisions of the Agreement shall prevail.

8.1. The agreement for the specific product or service, the effective General Terms and Conditions, the Tariff of Municipal Bank PLC for Interest, Fees and Commissions for Corporate Customers (the Tariff) and the Bulletin for Interest Charged by Municipal Bank PLC on Transactions with Corporate Customers (the Bulletin) shall apply for the relations between the Customer and the Bank in connection with the use of payment services, including payment instruments.

8.2. The requirements of Chapter Four and Art. 68(1); Art. 70(4) and (5); Art. 78; Art. 80; Art. 82(2) and (3); Art. 85; Art. 91; Art. 92; Art. 93(1) of Chapter Five of the PSPSA shall not apply in full in the relations between the Bank and corporate customers (non-users) in the provision of services subject to these General Terms and Conditions.

9. A corporate customer (Customer) within the meaning of these General Terms and Conditions is any local person, registered or created by law and operating in the country (with seat and registered office in the country or with seat and registered office outside of the country, through a registered branch in the country) or a foreign person with seat and registered office outside of the country (operating outside of the country or in the country, through a commercial or other representative office) - which local or foreign person is a non-financial enterprise and organization, a financial undertaking or a budget organization.

**Amendments to the General Terms And Conditions.**

10. The Bank shall be entitled to unilaterally amend the General Terms and Conditions in accordance with the statutory procedure, with the amendments taking effect from the date specified in the relevant decision on the amendment. Any amendments and supplements to the General Terms and Conditions and the Tariff, publicly announced by placing notices in the Bank's offices or on the Bank's website at [www.municipalbank.bg](http://www.municipalbank.bg) shall be considered ex officio applicable to the agreement, of which the Bank is not required to expressly notify the Customer.

11. Changes in the legislation regarding the account servicing conditions shall become binding on the parties to these General Terms and Conditions from the time they come into force.

12. The Customer may obtain information about the new terms and conditions on paper in any Bank's office.

13. If the Customer does not agree to the new terms and conditions, the account may be immediately closed, and for the days from the change to the date of the closure, the new terms and conditions shall apply.

## **II. IDENTIFICATION OF CUSTOMERS, THEIR LEGAL REPRESENTATIVES AND ATTORNEYS OPENING, MAINTAINING AND CLOSING PAYMENT ACCOUNTS**

### **Customer Identification**

14. The conclusion, execution and termination of any agreement for a payment account and remote access instruments (payment debit card and/or Online/Mobile banking) shall be carried out by the legal representative(s) of the Customer or the persons authorized by them after the presentation of the documents required according to the applicable legislation.

15. Before the Bank enters into business relations with a Corporate Customer, it shall identify it, its legal representatives or attorneys, as well as the beneficial owners, according to the applicable legislation. The Bank shall be entitled to verify the accuracy of the documents presented to it by using data, documents and information from independent sources.

### **Payment Account Opening**

16. According to these General Terms and Conditions, a payment account shall be opened in the name of the Customer through its legal representatives or persons authorized by them, after submitting a Request for Account Opening according to the Bank's model. The following documents and information shall be attached to the Request:

16.1. Document certifying the Customer's registration:

- for the persons registered with the Commercial Register and the Register of Non-Profit Legal Entities (CRRNPLE) at the Registry Agency - Uniform Identification Code (UIC);
- for the persons that are not subject to registration with the CRRNPLE at the Registry Agency or have not re-registered with this register in the cases where they are subject to such requirement - they should submit a certified copy or transcript of the constituent deed and an up-to-date certificate of registration (certificate of good standing) issued by the register in which they are subject to registration and are registered, which certifies the persons who manage and represent the holder and their personal data according to their identity documents, BULSTAT code;

16.2. Copy of the Customer's current articles of association / membership agreement / constituent deed / other constituent document demonstrating the authority to dispose of the funds on the account. The copy must be certified with the original signatures of the persons representing it and the Bank's employee to whom the original has been presented for comparison. The legal entities created by a normative or administrative deed shall submit a copy of the normative or administrative deed by which they have been created.

16.3. Certified copies of official identity documents of the Customer's beneficial owners and the persons who have the right to dispose of the funds on the account;

16.4. Power of Attorney with notarization of the signature(s), if any, by which the person(s) who manage(s) and represent(s) the Customer authorize(s) (an) other person(s) to open and/or dispose with the funds on the account on behalf of the Customer, or an original power of attorney with authorization to receive cash from a bank account, prepared according to the Bank's model. When presenting a power of attorney based on the Bank's model, the signature of the authorizer must be affixed in the presence of an authorized Bank's employee or must be notarized;

16.5. Original specimens of the signatures of the persons who have the right to dispose with the funds on the account on behalf of the Customer, according to the Bank's model. The signatures of these persons must be affixed in the presence of a Bank's employee or must be notarized;

16.6. Copies of permits and licenses for carrying out activities, certified with the representative's signature, if the activity carried out by the Customer is subject to a permit and/or licensing regime and the Customer is to carry out transactions and operations in connection with this activity;

16.7. Legal entities that are not registered in the Republic of Bulgaria or entities that are not legal persons and are registered abroad shall submit documents certifying their proper establishment and existence, as well as all documents identical to the above-mentioned documents, taking into account the requirements of the applicable law.

16.8. Duly completed questionnaires and/or declarations according to the Bank's model or other documents provided for in the applicable legal act, signed by the person duly authorized for that purpose.

17. In addition to what is established in para. 16, for opening a liquidation account of a local person, the following documents should also be attached to the Request:

17.1. Copy of the deed declaring liquidation, certified by the authority that issued the deed;

17.2. Copy of the deed of appointment of liquidator(s), certified by the authority that appointed them;

17.3. Certificate issued by the competent registration authority demonstrating the circumstances under para. 17.1 and para. 17.2 – for persons who are not subject to registration with the CRRNPLE;

17.4. Specimens of the signatures of the liquidators, identical to the specimens referred to in para. 16.5 and copies of their identity documents certified by them;

18. In addition to what is established in para. 16, the following documents should be attached to the Request for opening a special account for the storage of money of a local person for whom bankruptcy proceedings have been opened:

18.1. Copy of the court decision to open bankruptcy proceedings and to appoint a receiver;

18.2. Specimen of the receiver's signature, similar to the specimens referred to in para. 16.5 and a copy of the receiver's identity document, certified by the latter.

19. To open a bank account of budget organizations, the Customer – budget organization – shall attach the following documents to the Request:

19.1. Order for its incorporation, if the Customer is not incorporated under the law or any decree;

19.2. Written permission issued by a higher-ranking budget spending unit (for primary budget spending units - by the Ministry of Finance), indicating the type of account and the method of management and disposal;

19.3. Notification letter from the Customer – budget spending unit, requesting the opening of the Bank Account, which must contain the code of the spending unit, the code of subordination, the code of the Ministry of Finance and the code of the municipality, which are to be approved by the Minister of Finance;

19.4. Appointment order / employment agreement of the manager and representative of the Customer – budget spending unit; if the order / employment agreement constitutes classified information, a letter citing the order / employment agreement is required;

19.5. The documents referred to in para. 16.3; para. 16.4 and para. 16.5.

20. If necessary and at its discretion, the Bank shall also be entitled to request other documents and information necessary in connection with opening, servicing, executing operations from or to, and closing a payment account, including documents related to the identification of the Customer – account holder, the legal representatives of the Customer, the third party opening the account, authorized persons and other persons who have disposal rights on the account.

21. Any official documents drawn up and issued abroad in a foreign language shall be accepted by the Bank if they:

21.1. Are accompanied by a certified translation made by a sworn translator – in the event that an agreement on legal assistance has been signed with the country in which the document was issued and it stipulates that the documents may not be legalized; or

21.2. Are certified with an "Apostille" in accordance with the procedure provided for in the Convention Abolishing the Requirement of Legalisation for Foreign Public Documents (the Hague Convention) and accompanied by a translation into Bulgarian made by authorized persons – in the event that the country in which the document was issued, has agreed to comply with the provisions of the Hague Convention; or

21.3. Are certified/authenticated by the Ministry of Foreign Affairs of the issuing country, followed by the certification/authentication of the stamp of the Ministry of Foreign Affairs of the issuing country by the Bulgarian diplomatic or consular representation in that country and are accompanied by a legalized translation (translated by authorized persons and stamped with the seal of the Ministry of Foreign Affairs of the Republic of Bulgaria) – in the event that there is no agreement on legal assistance with the country issued the document or that that country is not a party to the Hague Convention. When there is no Bulgarian embassy/consulate in the issuing country, the stamp of the Ministry of Foreign Affairs of the issuing country should be authenticated/legalized by the embassy of that country in the capital of a third country, which is also accredited for Bulgaria. After that, the signature and certifications of the consular office of that embassy should also be certified by the consular office of the Bulgarian embassy in that country.

22. When there is an agreement on legal assistance between the Republic of Bulgaria and a country that has ratified the Hague Convention, the procedure defined by the Convention shall apply only on the condition that the formal procedures provided for in the agreement are stricter than the formal procedures provided for in the Convention.

23.1. When implementing the obligations under the Counter-Terrorist Financing Measures Act (CTFMA), the Anti-Money Laundering Act Law (AMLMA), their implementing regulations, as well as the international acts in this area, the Bank shall be entitled to request the provision of additional information and/or documents from the Customer, its legal representative or attorney (other official documents or documents from a reliable or independent source) within a period of one week, including completion of questionnaires and declarations pursuant to the AMLMA, IR AMLMA, and CTFMA, in view of the requirements for customer due diligence under Art. 10(1-4) AMLMA, as well as for collecting information about the purpose and nature of the business relations, about the operations performed and for clarifying the origin of the funds, in the cases provided for by law.

23.2. In the cases where the Bank is not able to implement the due diligence requirements under Art. 10(1-4) AMLMA, it shall refuse to establish business relations, including to open the account, and in the case of already established ones, the Bank shall terminate them unilaterally, without giving notice, and close the Customer's account, starting from the day following the day of the notification to the Customer.

24. Any changes in the documents under para. 16 to 19 and/or in the circumstances certified by such documents shall have effect in relation to the Bank only from the time the latter has been notified of them in writing by the Customer. The Customer shall be bound to immediately notify the Bank in writing upon the occurrence of circumstances that are relevant to its identification, as well as to the identification of its representatives, attorneys, its beneficial owner(s), its capital structure and/or the keeping of its bank accounts (changes in its Articles of Association / Company Agreement / Constituent Deed (or other similar document), withdrawal of power of attorney, death of an attorney, loss, theft or destruction of an identity document and/or power of attorney, etc.), as well as to present to the Bank information documents referred to in para. 16 to 19, certifying these changes.

25. The Bank shall not be responsible for damages suffered and lost profits from the execution of payment operations carried out until the receipt of a written notification of changes in the circumstances referred to in para. 24, including in cases where it has executed a payment order placed by a person identified for this purpose with regular appearing inappropriate documents (with incorrect content and/or inauthentic) and/or certified his/her disposal rights on the bank account, including with a regular appearing power of attorney, in cases where that person's representative authority has been terminated, before the Bank has been notified in writing of the termination of that person's authority.

26. In the event that the Bank has entered into business relations with a Customer, when opening a new account, the latter shall attach to the account opening request only documents certifying the changes in the provided data.



**Requirements for Accepting and Performing Actions with Powers of Attorney**

27. The authorized person shall perform actions and operations after presenting to the Bank an original power of attorney with notarized signature of the authorizer in accordance with the Bank's requirements or after providing a power of attorney to receive cash from a bank account, drawn up according to the Bank's model, signed by the authorizer(s) in the presence of a person authorized by the Bank for this purpose.

27.1. The original of the power of attorney which is intended for actions before the Municipal Bank PLC only shall remain with the Bank.

27.2. Any power of attorney certified abroad must be legalized or certified with an apostille and a notarized translation into Bulgarian, respectively, before its presentation to the Bank.

28. The Bank shall decide whether to accept a given power of attorney after carrying out the necessary, at its discretion, checks for its authenticity.

29. The Bank shall allow for the performance of actions based on the presented power of attorney only in the event that the rights of the proxy to perform these actions are clearly, unambiguously and specifically indicated in the power of attorney. If the power of attorney contains complex hypotheses, limits of amounts or other specific restrictions or requirements of the Customer, the Bank may refuse the service.

30. The revocation of a power of attorney may be done personally by the Customer in any Bank's office – by means of an express written statement.

31. The Customer shall be bound to notify the Bank in writing of any revocation of a power of attorney immediately after the revocation.

32. The appearance of a new attorney in the Bank shall not terminate the powers of previous attorneys.

33. The Bank shall not be responsible for any amounts paid and other operations or actions performed on behalf of the Customer based on a power of attorney, if it was not notified of the revocation, or if it was notified after the actions/operations were performed.

**Entering into Agreement**

34. The Bank shall conclude an agreement for opening a payment account of a corporate Customer with its legal representative(s) or a person(s) authorized by them.

35.1. The customer can open a payment account with the Bank by type, currency and under interest and other conditions specified in the Bulletin.

35.2. The payment account opened on the basis of a concluded framework agreement shall be intended for the storage of money and/or for the execution of individual or a series of payment operations related to the use of specific payment services, within the limits of available funds on the account.

36. The Bank may refuse to conclude an agreement for opening a payment account without justifying the reasons for the refusal.

37. Any agreement to which these General Terms and Conditions apply shall be concluded after it is signed by the Customer and the Bank. A concluded Agreement shall be in effect until its termination in a manner provided for in the General Terms and Conditions.

**Duration of the Agreement**

38. The agreement shall be concluded for an indefinite period, with the exception of the following cases:

a) Agreement for opening a special charity current account, where the agreement shall be terminated with the expiration of the specified term or upon the implementation of the fund-raising goal.

b) Agreements for conditional opening a payment account, where the agreement shall be terminated upon the expiry of the specified term and/or after the implementation of the condition(s) set and the presentation of the relevant certification documents.

**Account Opening and Servicing**

39. An account with the Bank shall be opened by concluding an agreement for the relevant type of account and after depositing or transferring the required minimum balance for the relevant type of account, in case such is provided for according to the Bulletin.

40. When concluding a Framework Agreement and opening a payment account, the Bank shall assign to it a unique identifier by generating an international account number - IBAN.

41. The account holder may not be more than one Customer.

42.1. The Bank shall be entitled to collect all sums owed by the Customer from the payment account, including from the minimum required balance on the payment account. If the balance on the account is exceeded as a result of executing payment operations through remote access instruments or from the collection of due fees and commissions, the excess shall be formed as an unauthorized overdraft and interest shall accrue according to the version of the Bulletin effective on the date of the interest accrual.

42.2. When the balance on the account is not sufficient to satisfy the Bank's claims, it shall be entitled to collect its claims from all the Customer's accounts opened with the Bank.

**Disposition of Funds from Accounts**

43. The funds from the accounts shall be disposed of in any Bank's office, with the exception of special current accounts referred to in para. 44.7 and 44.8, the disposition of which should be made in the office where they have been opened, unless otherwise agreed.

**Types of Payment Accounts**

44. The Bank shall open payment accounts for the execution of payment operations in the currencies specified in the Bulletin and by types specified in these General Terms and Conditions.

**44.1. Standard Current Account**

The standard current account is a payment account for the storage of money for an indefinite period in the name of the Customer, payable on sight without a notice period from the Customer to the Bank, on and from which all payment operations specified in the General Terms and Conditions shall be performed for a fee to the extent of the available amounts. The Customer may use an overdraft on the account up to a pre-agreed limit based on a separate agreement concluded with the Bank.

Any Customer with a current account may use remote access to the account through the online/mobile banking systems with active or passive access. The Bank shall issue debit cards with national and international access to an open standard current account in BGN, and credit cards only to BGN and EUR accounts.

#### **44.2. Accounts of Municipalities and Budget Organizations**

These are opened for the storage of money of budget organizations (legal entities the budgets of which are included in the state budget, in the budgets of municipalities, in the budgets of social security funds, as well as all other legal entities whose funds, receipts and payments are included in the consolidated fiscal program) and for making payments from the budget of the relevant budget organization, from funds from the European Union under Art. 8 of the Public Finance Act (PFA), from foreign funds under Art. 9 PFA and administrators of public receivables.

Online/mobile banking with active or passive access can be used for the account of a municipality or budgetary organization.

#### **44.3. Accumulation Accounts**

These are opened for the storage of money provided for the establishment of a legal entity or for the increase of capital, according to and under the terms and conditions of the Commercial Act and other relevant legal acts.

#### **44.4. Liquidation Accounts**

These are opened for the storage of money of local persons for whom liquidation proceedings have been opened, according to and under the terms and conditions of the Commercial Act and other relevant legal acts.

Online/mobile banking with active or passive access can be used for the account.

#### **44.5. Special Accounts**

These are opened for the storage of money of local persons for whom insolvency proceedings have been opened, according to and under the terms and conditions of the Commercial Act and other relevant legal acts.

Online/mobile banking with passive access can be used for the account.

**44.6. Special Current Accounts** opened for special purposes or for certain categories of persons. The accounts provide the Customer with the option to use all or certain one-time payment services included in these General Terms and Conditions, as well as to use remote access to the account through the online/mobile banking system. Payment cards are not issued for special current accounts and credit overdrafts cannot be used.

The reasons for which special current accounts are opened, the purposes for which they are opened and their specific terms and conditions are based on the law and are specified in the agreement for the relevant type of special current account.

The Bank offers the following types of special current accounts:

##### **44.6.1. Special Current Account of a Civil Partnership of Private Enforcement Agents**

The account holder is a civil partnership of private enforcement agents (PEA) which is registered with the Bulgarian Chamber of Private Enforcement Agents. The account is with the following special purpose: the account shall only receive cash originating from the redemption of the property of debtors in enforcement proceedings initiated by private enforcement agents who are partners in the civil partnership, without the right to keep cash of the partnership therein. Online/mobile banking with active or passive access can be used for the account.

##### **44.6.2. Special Current Account for Interests of a Civil Partnership of Private Enforcement Agents**

The account shall only receive the interest charged by the Bank on the funds available in the special account referred to in para. 44.6.1. above. Online/mobile banking with active or passive access can be used for the account.

##### **44.6.3. Special Current Account of a Law Firm**

The account holder is a law firm registered with the Register of Law Firms at the district court in the area it operates.

The account is with the following special purpose: the account shall receive funds for the payment of expenses, state fees and taxes of the account holder's customer(s), for the payment of fees to persons other than the account holder, for the payment of the value when carrying out transactions, services and other actions on behalf and for the account of customer(s). Online/mobile banking with active or passive access can be used for the account.

##### **44.6.4. Special Current Account of an Insurance Agent**

The account holder is a trader registered as an insurance agent with the Register of Insurance Brokers and Insurance Agents, who, against a commission fee from an insurer, carries out insurance mediation on behalf and for the account of an insurer. The account is with the following special purpose: the account shall only receive cash received from insurance premiums for the insurer and insurance benefits or amounts of money for the users of insurance services. Online/Mobile banking with active or passive access can be used for the account.

##### **44.6.5. Special Current Account of an Insurance Broker**

The account holder is a trader registered as an insurance broker with the Register of Insurance Brokers and Insurance Agents, who, against a commission fee from an insurer, carries out insurance mediation on behalf and for the account of an insurer. The account is with the following special purpose: the account shall only

receive cash received from insurance premiums for the insurer and insurance benefits or amounts of money for the user of insurance services. Online/Mobile banking with active or passive access can be used for the account.

#### **44.7. Charity Current Accounts**

These are opened in the name of a customer, for whose benefit or on whose behalf and for the benefit of another person, funds will be raised to finance treatment, training, etc.

The disposal of the funds on the account shall only be carried out for the specified purpose, under the terms and conditions specified in the agreement for the account.

No credit-overdraft is provided on the account, no bank payment cards are issued, and online/mobile banking with passive access can be used.

**44.8. Other Current Accounts** (escrow accounts) with a specific mode of disposal and purpose or other specifically regulated conditions based on an agreement between the Bank and the Customer, regulating the disposal actions and the scope of services offered, such as

**44.9. Special Purpose Current Accounts for Real Estate Purchase and Sale** (maintained in the name of the seller or buyer).

The account is with the following special purpose: payment of the price of real estate after the implementation of the conditions expressly specified in the agreement. No no payment cards are issued on the account and online/mobile banking with passive access can be used.

#### **Amendment and/or Termination of the Agreement. Payment Account Closing**

45. The agreements may be terminated on the grounds and within the terms specified in these General Terms and Conditions, as well as under conditions specific to the relevant type of product or in accordance with other statutory or contractually established grounds specified in the concluded Agreement.

46. Any agreement to which these General Terms and Conditions apply may be terminated unilaterally by either party, without notice, upon the failure of the other party to implement the Agreement and the General Terms and Conditions.

47. The Framework Agreement for a current account to which a debit or credit card has been issued shall be terminated and the account shall be closed after the termination of all card agreements. Any Agreement for issuing and using a debit card shall be terminated after seven days' notice, and any Agreement for issuing and using a credit card shall be terminated after thirty days' notice.

48. The Bank shall be entitled (ex officio) to close a fund-raising account for raising capital for the establishment of a legal entity, provided that within six months from the date of opening the account, the entity has not been registered with the CRRNPLE.

49. The Bank shall close the Customer's accounts when the latter is deleted from the CRRNPLE.

50. The Customer shall be entitled, provided that there are no outstanding liabilities to the Bank, to terminate a payment account agreement:

a) unilaterally without notice by submitting a Request for account closure (submitted by the Customer's legal representative(s) or by a person authorized by him/her). The Agreement shall be terminated and the account shall be closed on the day of submitting the Request or in another period specified in the Request upon meeting the deadlines referred to in para. 47 – when a payment debit card(s) or credit card(s) has/have been issued to the account.

b) unilaterally without notice, in case the Customer does not agree with any change in the General Terms and Conditions and notifies the Bank before the change enters into force of its willingness to terminate the Agreement on this basis. The Agreement shall be terminated and the account shall be closed on the day of the receipt of the notification.

51. The Bank shall be entitled to terminate a payment account agreement:

a) unilaterally and without giving notice, if it finds that the payment accounts and payment services provided for use are being used illegally, contrary to the agreed conditions and for unlawful purposes, as well as when it finds that the Customer has provided false information to the Bank – on any of the existing legal relations between the parties.

b) with a two-month's notice from the Bank, sent to the Customer at the last address provided by the latter, whereby e-mail is also allowed. The Bank shall not be bound to indicate a reason for the termination of the Agreement.

c) unilaterally, without giving notice and additional notification to the Customer, if the account has had a zero daily balance for three consecutive months, including when the account has been imposed a lien, or if the Customer has not met for three consecutive months its obligation to maintain a certain minimum required balance for the relevant type of account.

d) unilaterally, without giving notice, starting from the day following the day of notifying the Customer, in the event that the Bank is not able to implement the due diligence requirements under Art. 10(1-4) AMLMA.

e) unilaterally, without giving notice, starting from the day following the day of notifying the Customer, when the Bank finds that for a customer who is the beneficial owner of a customer, its legal representative or attorney or a person related to the operations on the account is/are included in national or international sanction / ban / restriction lists.

f) unilaterally, without giving notice, starting from the day following the day of notifying the Customer, when there are data showing that the Customer is carrying out activities related to terrorism or terrorist financing.

g) unilaterally, without giving notice, when a customer, a beneficial owner of a customer, its legal representative or attorney or a person related to the operations on the account is/are under a regime of sanctions/bans/restrictions imposed by a national or international deed according to the officially adopted procedures and rules for this purpose, or operations/transactions executed by the Customer/its attorney or a



person related to the operations on the account are under a regime of sanctions/bans/restrictions imposed by a national or international deed according to officially adopted procedures and rules for this purpose.

52. In case of dissolution or reorganization of a Customer being a legal entity, the funds on its accounts shall be paid to its legal successors after the provision of the identification and legitimation documents required.

53.1. The accounts may be closed in any Bank's office, with the exception of special current accounts referred to in para. 44.7 and 44.8, the closure of which should be made in the office where they have been opened.

53.2. The notifications from the Bank to the Customer given in the cases under para. 51 shall be carried out pursuant to the procedure laid down in Section "Communication between the parties" of these General Terms and Conditions.

53.3. When closing a payment account, the Bank shall pay the Customer the funds remaining in the account. When the account is in a foreign currency, the amount that is smaller than the smallest denomination in the relevant currency shall be paid in BGN equivalent at the "buying" rate of the Bank at the time of accounting of the operation.

53.4. In the case of unilateral closure of a payment account by the Bank and in the event that there are funds remaining on the account, the Bank shall deduct the due fees and commissions from the available account balance and close the account ex officio. If there are funds on the account at the time of the closure, they shall be kept by the Bank until they are received by the Customer and no interest shall accrue on them.

53.5. No agreement for a payment account may be terminated if the account has been arranged for the utilization/repayment of a loan granted by the Bank or serves as a security for a credit obligation that has not been repaid.

#### **IV. PAYMENT INSTRUMENTS FOR REMOTE ACCESS TO AN ACCOUNT**

##### **General Provisions**

54. The remote access instruments to a payment account opened with the Bank shall be funds that allow for the use of the payment services provided by the Bank without the physical presence of the persons representing the Customer (legal representatives/attorneys) in a Bank's office.

55. The Bank shall offer payment debit cards and online and mobile banking services, as remote access instruments, based on Agreements concluded with the Customer to which these General Terms and Conditions shall apply.

56. The Bank shall secure the payment instrument for which an agreement has been signed and hand it over to the Customer's legal representative/attorney along with the relevant personalized security characteristics, ensuring that it is kept secret by its employees and third parties.

57. The Bank shall accept powers of attorney for signing a payment instrument agreement on behalf of the Customer, as well as for receiving a payment instrument and its personalized security characteristics after its issuance/re-issuance by the Bank, provided that the power of attorney gives express authority for the specified action and subject to the provisions agreed under these General Terms and Conditions.

58. The Bank shall require the Customer (legal representatives or persons authorized by them) to use personalized security tools when establishing the Customer's identity and the authenticity of the ordered payment operations.

59. The legal representatives and the persons authorized by them shall be bound to use the instruments for remote access to an account and the corresponding means for their personal use not to provide them to third parties, to store them reliably and securely, protecting them from loss, theft, tampering, unauthorized access or use in any other illegal manner, in compliance with the conditions laid down in the Agreements, the General Terms and Conditions and all applicable manuals, instructions and regulatory requirements.

60. The Customer shall be bound to take care and ensure that the necessary care is taken to protect the remote access devices and applications (mobile phone, software token (МайСийл/MySeal/ MB-mobile), SIM card, computer, laptop, bank payment card, etc.), and these devices and applications should be protected from loss, theft, tampering, unauthorized access, destruction, damage or other similar actions.

61. All personal identifiers (username and password) and codes (PIN, CVC and personal verification code for 3D Secure Payments, etc.) for the use of remote access instruments should be kept secret and not shared, recorded or stored together with other remote access instruments or personalized security tools.

62. The Bank shall not be responsible for unauthorized operations and the Customer shall fully bear the losses associated with any unauthorized payment operations resulting from the use of a lost, stolen or misappropriated payment instrument regardless of their amount.

63. The Customer shall be bound to immediately notify the Bank in order to block the access in case of impossibility to use a payment instrument and/or its associated personalized security tools due to the occurrence of any of the circumstances referred to in the preceding paragraph. The Customer shall bear all losses incurred as a result of the circumstances referred to above, if, after becoming aware, it has not notified the Bank verbally or in writing in accordance with the procedure provided for in these General Terms and Conditions. ("Communication between the parties" Section).

64. The Bank shall block remote access instruments and prevent their use immediately after receiving a notification from the Customer. The Bank shall unblock the access to payment instruments after a request from the Customer.

65. The Bank shall not be responsible for any possible adverse consequences as a result of third parties learning of the Customer's personalized security tools that occurred before the receipt of the notification. The Bank shall not be responsible if, before being notified by the Customer, it has executed in good faith and accounted for any payment operations ordered using instruments for remote access to the Customer's account.

66. In the event of suspected unauthorized use of personalized security tools, the Bank shall be entitled to block the Customer's remote access and require additional confirmation of the ordered operation, including by visiting a Bank's office.

67. The Bank shall be entitled to block the Customer's personalized security tools when there is a suspicion or it is established that their data have been criminally copied, used to carry out illegal operations, there is suspicion of unlawful/unauthorized use of the card or for security reasons, in case of use or suspected use of the card for the purpose of fraud, as well as in case of violation of the effective legal acts and contractual obligations to the Bank. The bank shall unblock the access to the payment instruments when the reasons for blocking disappear and after collecting the necessary information for each specific case.

68. The Bank shall not be responsible if, as a result of a false notification made by the Customer in accordance with the established procedure, it has taken the necessary protection measures and this has led to a refusal to authorize debit card operations or the execution of payment orders through online or mobile banking.

## **CORPORATE DEBIT PAYMENT CARDS**

### **Card Issuance, Term of Validity and Reissuance**

69. Debit cards are payment instruments for multiple remote access to funds on a current account opened in BGN with the Bank.

For corporate customers, the Bank issues Mastercard contactless debit cards with international access – for carrying out operations in the country and abroad (corporate DCs).

70. The bank shall conclude an Agreement for issuing and servicing payments through corporate debit cards (Agreement) with corporate customers, if they are registered under the Bulgarian legislation and carry out business activities on a legal basis.

71. Corporate debit cards shall be issued on the basis of an Agreement concluded between the Bank and the Customer. The Bank shall reserve the right to refuse the conclusion of an Agreement for issuing and servicing payments through corporate debit cards, and shall not be bound to justify its refusal to the Customer.

72. The Authorized Holder (Cardholder) of a corporate DC according to the provisions of these General Terms and Conditions shall be an able natural person of age – a Bulgarian or foreign citizen, legal representative of the Customer or a person duly authorized by means of a power of attorney with notarization of signatures.

73. The Customer shall complete a separate request for each Corporate DC Cardholder, which shall constitute an integral part of the card agreement. One Cardholder may not be issued more than one active corporate DC.

74. The Bank shall sign separate agreements for the issuance of corporate debits cards with each Corporate DC Cardholder.

75. All payment operations and additional services carried out with corporate DCs, as well as all fees and commissions for operations executed with corporate DCs shall be borne by the Customer who is the holder of the current account.

76. The Bank shall issue a corporate debit card at the Customer's request within 10 (ten) calendar days after the relevant agreement for the issuance of debit card is signed between the Bank and the Cardholder.

77. Up to 10 (ten) corporate debit cards may be issued on one and the same current account opened in BGN in the name of the Customer.

78. A debit and credit card may not be issued simultaneously on one and the same current account of a Corporate Customer.

79. A corporate DC shall be issued with a period of validity indicated on the front of the card in the form of month/year and shall expire on the last day of the indicated month.

80.1. The renewal of a debit card for a new period shall be carried out at the Bank's initiative no later than the month in which its validity period expires, provided that:

a) by the 1st of the month in which the card's validity period expires, the Cardholder or the Customer has not submitted a written request to refuse to renew a debit card;

b) during the last three months before the one in which the validity period expires and until the date of renewal, the balance on the current account to which the card was issued exceeds the minimum required balance for current accounts according to the Bank's Bulletin;

80.2. The card shall be renewed by reissuing it together with a corresponding new PIN.

81.1. A newly issued, renewed or reissued debit card can also be provided to an authorized person with an expressly stated right to receive the card and its PIN code.

81.2. A reissued debit card shall be obtained after returning the old one.

82. The Bank shall keep a debit card not received by the Cardholder and the envelope with the relevant PIN for up to 90 (ninety) calendar days from the date of the conclusion of the Agreement with the latter or from the first day of the month following the month of the renewal of the card for a new period. In the event that the Cardholder does not receive the renewed card within the 90-day period, the holder of the account to which the card has been issued shall have to pay a fee according to the Tariff. The Bank shall destroy the card with the PIN code attached to it and shall be entitled to ex officio collect the fee from the current account to which the card has been issued, as well as from all other accounts of the Customer opened with the Bank, for the Customer consents by accepting these General Terms and Conditions.

83. The Customer must ensure the return to the Bank of all debit cards issued at its request after the termination of the Agreement for issuing and servicing payments through corporate payment debit cards concluded between it and the Bank. Otherwise, the Customer shall be responsible for all operations executed with them after the date set for their return, as well as for any obligations resulting from these operations.



84. The Customer must ensure the return of any debit card issued at its request after the termination of the Agreement for its issuance concluded between the Bank and the Cardholder or upon the expiry of its validity period. Otherwise, the Customer shall be responsible for all operations executed with the debit card after the date set for its return, as well as for any obligations resulting from these operations.

85. The Customer may request the issuance of a new card within the validity period of the old one in case of loss, theft, destruction or damage of the card, or in case of suspected unlawful/unauthorized use of the card, or presence of unauthorized payment operations. The Bank shall issue a new card with a new PIN within 10 days of receiving the request to issue the new card.

85.1. If the PIN for an active debit card is forgotten, the Bank shall issue a new PIN within 10 days of receiving the request.

85.2. In case of entering an incorrect PIN three times, the payment card shall be blocked. In case the Customer has not forgotten its PIN, the Customer may submit a written request to unblock the card while keeping the same PIN.

86. The Bank shall ex officio activate the card after handing it over to the Cardholder. The Bank shall be entitled to block a debit card and prevent its use without unreasonable delay immediately after receiving a notification from the Customer or the Cardholder about theft, tampering, loss or use of the card in any other illegal way.

87. A debit card that has been blocked in accordance with the provisions of para. 86 may be unblocked by the Bank after receiving a written request submitted in person by the Customer in a Bank's office.

88. The Bank shall provide the option to receive notifications for card blocking 24/7 in accordance with the procedure laid down in these General Terms and Conditions ("Communication between the parties" Section). At the request of the Customer, within a period of up to 18 (eighteen) months from the date of the notification, the Bank shall provide it with the relevant evidence that it has made such a notification.

### **Operations and Limits**

89. The Bank shall issue corporate DCs with predetermined standard limits for executing payment operations defined in the Tariff. The Bank shall be entitled to unilaterally change the limits for withdrawal/payment via ATM and POS, subject to the requirements of the applicable regulations.

90. The Customer shall be entitled to set individual limits for operations with corporate DCs. The individual limits may not exceed the maximum limits for executing debit card operations determined by the Bank.

91. The Cardholder shall be bound to make payments with a corporate DC up to the limits set for them or up to the amount of cash on the current account (reduced by the minimum balance required to maintain the account according to the Bank's Bulletin).

92. The following payment operations can be executed in the country using a debit card:

- a) cash withdrawal via ATM and POS terminals.
- b) payment of goods and services through a stationary or virtual POS at a merchant;
- c) contactless payments with a Mastercard contactless debit card with international access through a POS terminal;
- d) payment of periodic obligations through ATM terminals;
- e) change of PIN through ATM terminals;
- f) reference and other payment and non-payment operations through ATMs, mobile applications and other devices approved by the national card operator.

93. The operations and services referred to in the preceding paragraph may be performed on all terminal devices supporting the specific functionality and marked with the sign of the national card operator BORICA and the international card organization MasterCard.

94. The Cardholder may register the issued debit card for additional services offered by the Bank/various System Operators with which the Bank has signed an agreement for:

- a) making payments via the Internet to merchants registered in the system of the relevant Operator;
- b) making payments through ATM terminal devices or mobile phones, including through SMS messages, for services to merchants registered in the system of the relevant Operator;
- c) receiving SMS messages about current account balance and payments;
- d) use of the "mobb" service, after confirming the operator's general terms and conditions for using the service at [www.mobb.bg](http://www.mobb.bg).

95. Outside of the territory of the Republic of Bulgaria, the Customer may perform the following operations using a debit card with international access:

- a) cash withdrawal from ATM and POS terminals marked with the "MasterCard" sign;
- b) payment of goods and services through stationary or virtual POS devices at a merchant marked with the "MasterCard" sign;
- c) contactless payments through a POS terminal with a MasterCard contactless debit card.

96. When executing operations through a POS terminal device, the Cardholder shall be bound to present an identity document, if requested, as well as to sign the receipt printed by the POS.

97. The Customer agrees that all operations with corporate DCs are executed with its knowledge and consent.

98. The Customer can block a corporate DC without the Cardholder's consent and knowledge.

99. The Cardholder of a corporate DC shall have the following rights in relation to the card:

- a) to block the card in case of loss or theft, including temporarily, without the obligation to indicate a reason;
- b) to receive the card and the envelope with the PIN, after presenting an identity document;
- c) to register a 3-D password for Internet payments.

### **Debit Card Use**

100. The Corporate DC shall only be used in person by the Cardholder and subject to the terms and conditions for its issuance and use.

101. The Customer undertakes to dispose of the funds on the current account and to use the corporate DCs issued by the Bank in the manner and under the conditions defined in the Agreement, these General Terms and Conditions and the requirements of the applicable legislation in the country of the payment transaction.

102. The Customer should not allow the use of the debit card for payments associated with goods and services that are prohibited by a regulatory deed issued by a competent authority in the country of use.

103. The Cardholder of a corporate DC undertakes to store the card reliably and securely, protecting it from loss, theft, tampering, unauthorized access or use in any other illegal way.

104. The cardholder of a corporate DC shall be bound to keep secret the personal characteristics of the card (card number and validity term) and personalized security tools (PIN code, CVC code and static password for confirmation of 3D Secure Payments, etc.), by not sharing, saving or storing them with the card.

105. The Cardholder may perform card operations in online and offline mode.

106. The online operations shall be executed after establishing the Cardholder's identity and up to the available balance, in accordance with the limits set on the card. The account availability shall be determined by the Customer's own funds and possibly the unused portion of a credit overdraft, if there is a signed agreement in this respect.

107. With offline operations, the identity of the Customer/Cardholder, the amount of available funds and the limits set on the card cannot be verified. In case of insufficient funds on the account, the Bank shall offline account for the transactions executed with MasterCard contactless debit cards under the conditions of an unauthorized overdraft, which shall be immediately demandable together with the accrued interest.

108. The Bank shall notify the Customer (by telephone and/or by notification letter) when the available balance falls below the minimum balance required to maintain an account or an unauthorized overdraft is formed due to accrued fees, commissions, exchange rate differences and other payments related to the use of the card. If, within 30 days from the date of the notification, the Customer fails not repay its obligation, the Bank may deactivate all corporate DCs issued on the account and proceed with enforced collection of the amounts due according to the procedure provided for by law.

109. In the case of amounts restored by the Bank for disputed operations, for which data were subsequently collected that they had been carried out fraudulently or with gross negligence, the Bank shall be entitled to unilaterally collect the amounts restored from all the Customer's accounts, for which the Customer consents by signing these General Terms and Conditions.

### **Secure Internet Payments**

110. The Bank shall register the debit cards issued by it for use of the 3D Secure Payments service as an electronic method of protection and control of payments on the Internet at merchants supporting MasterCard Secure Code (Secure Payments). The method includes the use of a dynamic and a static password – passwords to identify the Cardholder and to confirm the payments made by the latter. The service requires the use of a specific mobile phone number.

111. The Bank shall provide the Cardholder with a one-time static password which serves only for logging into the web application of the 3D Secure Payments service and should be changed. The dynamic secret code is received by the Cardholder via an SMS message to a mobile phone every time a payment is made at a merchant supporting the 3D Secure protocol.

112. The service is activated only after the registration of a permanent static password by the Cardholder at the web address of the 3D Secure Payment" application.

113. In case the Cardholder wishes to request another mobile phone number for receiving the dynamic secret code, the latter should visit in person a Bank's office and submit the corresponding request.

114. The Bank shall be entitled to temporarily limit the access to the card for making payments on the Internet until it is registered for the 3D Secure Payments service, if the Cardholder has not provided the Bank with a mobile phone number.

115.1. When making payments on the Internet, the entry of a valid dynamic secret 3D code, as well as a static password shall be equal to entering a PIN and the Cardholder shall have all the obligations for their protection, referring to the protection of the PINs as laid down in these General Terms and Conditions.

115.2. If a wrong dynamic secret 3D code and/or a static password is entered three times, the use of the service shall be blocked and the Cardholder shall submit to the Bank's office a request prepared according to the Bank's model to unblock the card and to access the service.

116. Any card operation for cashless payment, confirmed by a static password and a dynamic secret 3D code, shall be considered to have been executed with the knowledge, participation and/or consent of the Cardholder. The Bank shall assume that the card operation is ordered by the Cardholder, even if a person other than the Cardholder makes an online payment using a static password and a dynamic 3D code received on the mobile phone number specified by the Cardholder.

117. In cases where the beneficiary of payment operations executed using payment cards at the initiative of or through the beneficiary is not registered for the MasterCard Secure Code program (Secure Payments) for an additional level of security, the strong Cardholder authentication shall be carried out by the relevant merchant, acting as the beneficiary, rather than the Bank - issuer of the payment instrument. The Bank shall not be liable for unauthorized payment card transactions executed at the initiative of or through the beneficiary, where the Cardholder has consented for them without applying the Bank's procedures for strong Cardholder authentication.

### **Termination of a Debit Card Agreement**

118.1. The Agreement for issuing and servicing a corporate debit card shall be terminated:

- a) At the request of the Customer or the Cardholder with a 7 (seven)-day written notice submitted to a Bank's office;
- b) With the expiration of the validity period of the card and if the Cardholder has not received the renewed DC within the period referred to in para. 82;
- c) Upon closing the current account to which the card has been issued in cases where the Bank unilaterally closes the account;
- d) Upon deactivating the debit card, in the cases provided for in these General Terms and Conditions.

118.2. The Agreement for issuing and servicing of a corporate debit card shall be automatically renewed for a new period in the case of re-issuance of a debit card after the expiry of the validity period of the same. Adequately, the term of the Agreement shall also be extended when the card is reissued within its validity period.

119.1. Upon the termination of the Agreement for issuing and servicing of a corporate debit card, the holder of the current account to which the corresponding card is issued shall be bound to provide sufficient funds on the account for the repayment of all liabilities to the Bank associated to the concluded agreement, including all due fees, commissions and amounts related to servicing and using the payment instrument.

119.2. The termination of the Agreement for issuing and servicing of a corporate debit card shall not result in the termination of the framework agreement for the current account to which the card has been issued.

## **ONLINE BANKING**

### **General Provisions**

120. The Online Banking service provides the Customers (their legal representatives or persons authorized by them) with remote access to the products and services offered by the Bank through the Online Banking System using a personal computer/laptop. The service is available for the Bank's Customers at: [www.municipalbank.bg](http://www.municipalbank.bg), 24/7 except during technological procedures requiring interruption of the use of the service.

121. To use the service, the Customer must provide the Bank with an up-to-date mobile phone number and e-mail address for each of the persons (legal representatives/attorneys) authorised to operate with and/or access the Online Banking System (registered users), as well as to ensure that they have smart mobile phones allowing for the installation of Seal Mobile Application/MySeal/ MB-mobile, as well as meeting the minimum hardware and software requirements specified by the Bank in the Online Banking System User Manual (the Manual). The Manual is available on the official website of Municipal Bank PLC.

### **Services Provided through the Online Banking System**

122. The Online Banking System provides an option to the Customer (account(s) holder), through the registered users, to use the following services:

#### **122.1. Information Services, including access to:**

- a) information, including various references and statements of payment accounts;
- b) information about loans serviced by the Customer;
- c) information about corporate credit and debit cards issued to the Customer, credit card statements;
- d) information on exchange rates;
- e) other reference information (Tariff, etc.).

#### **122.2. Payment Services:**

- a) to order credit transfers in BGN and in foreign currency, including payments to the budget;
- b) to initiate a direct debit order in BGN;
- c) to order non-cash transactions for the purchase/sale of currency at rates announced by the Bank;
- d) order group payments.

#### **122.3. Additional Services:**

- a) to submit requests for cash withdrawals from an account(s) or receipt order(s) for cash withdrawals;
- b) to send and receive files to/from the Bank (request for credit disbursement, information, data and documents, including filling in declarations and questionnaires in the cases provided for by the AMLMA (if necessary));
- c) to confirm data declared under Art. 142 of the Tax and Social Security Procedure Code (TSSPC);
- d) to send/receive messages to/from the Bank;
- e) to change its username and password.

123. Online banking services can be used, at the discretion of the Customer, in one of the following forms:  
123.1. Passive Online Banking – to perform reference operations and operations related to the security of the services: checking the balance and movement on payment accounts; information on credit transactions; change of username and password for access to the System; sending/receiving free text messages to/from the Bank.

123.2. Active Online Banking – to perform through the System the services included in Passive Online Banking, as well as the following types of payment and non-payment operations: ordering credit transfers in national or foreign currency, direct debit orders; currency exchange orders; cash withdrawal requests; cash withdrawal order/receipt; group payments orders; sending/receiving attachments to/from the Bank.

124.1. The Bank shall be entitled to expand or limit the range of services it provides through the Online Banking System depending on the changes in the applicable legislation, the market conditions, security considerations or improved System functionality.

124.2. For the changes in the scope of the services, the Bank shall notify the Customer according to the procedure laid down for the changes in these General Terms and Conditions.

### **Conditions of Registration**



125.1. The Online Banking Service may be requested by the Customer in any Bank's office by completing a Request for registration/change/termination of registration for online banking (registration/change request), according to the Bank's model.

125.2. The request for registration/change shall be submitted by the legal representative(s) of the Customer or by a person(s) authorized by them, indicating the account numbers for which information is required to be received and/or banking operations to be executed through the online banking channels, and declaring the persons authorized to operate with the system and their access rights in the system. The Bank shall be entitled to request additional documents and information in order to proceed with concluding an agreement.

125.3. The Bank shall independently assess and make a decision on the requests for the use of the Online Banking Service, and in case of refusal, it shall not be bound to give reasons for the decision.

126. The Online Banking Service can be used by Customers who have opened at least one account with the Bank for which the Bank has determined the right to use an additional Online Banking service and have met the requirements specified in para. 121.

127. The online banking agreement shall be signed by the legal representative(s) or by their attorney authorized by an express power of attorney with notarization of the signature(s).

128.1. The legal representative(s) of the Customer shall be entitled to authorize other persons with the right to dispose of amounts on the account and to access several or all services provided through the Online Banking System. The disposal rights shall be assigned to an authorized person by the submission to the Bank of an express power of attorney with notarization of the signature of the authorizer, giving the authorized person the right to dispose of one or all accounts of the holder, and the specific rights for access to services, provided through the Online Banking System and the corresponding limits shall be determined through the request for registration/change referred to in para. 125.

128.2. The Bank shall be entitled to refuse to accept a power of attorney that contains inaccurate, unclear or inconsistent data with other submitted documents.

129. Each person designated and authorized by the Customer to access the Online Banking System shall be registered as an individual user. The Customer (account holder) may define and change for each user (authorized person) the maximum amounts (limits) up to which payments can be made in the system on the relevant account, as well as define the rights to sign the documents (by one or jointly by two users). The limits for a user on a specific account may be: daily, weekly and for a separate payment service (document).

130. Any change (addition/removal of accounts, change of rights, change of mobile phone number for authorization, etc.) in the Online Banking System shall be implemented after the submission of a request for registration/change stating the required changes, signed by the Customer. After completing the registration/change request, the registration of users and the performance of changes to the service shall be carried out within the same business day on which the request has been submitted.

### **Identification in the Online Banking System**

131. When logging into the Online Banking System, the user is identified with a username, password and a unique one-time dynamic password (hereinafter referred to as authorization code or OTP code) generated through Seal Mobile Application /MySeal/ MB-mobile.

132. The Bank generates the user's username and password. The password generated ex officio for the initial registration in the Online Banking System is received via SMS to the provided mobile phone number for the user authentication. The system automatically requires a mandatory change of this password.

133. For the execution of each of the Payment Services, for its cancellation and for the execution of Additional Services under para. 122.3(a-c), it is necessary to additionally enter a one-time dynamic password (OTP code) generated through the Seal Mobile Application /MySeal/ MB-mobile.

134. The signatures affixed on the statements of the legal representatives of the Customer and the persons authorized by them to the Bank when executing the operations and actions in the Online Banking System using the means of identification and signature, as specified in para. 131 and para. 133 shall have the meaning and effect of an electronic signature pursuant to the Electronic Document and Electronic Certification Services Act, and in compliance with Art. 13(4) of the same law, the Customer and the Bank agree that in their relations they shall consider these signatures as handwritten.

135. The Bank shall be entitled to change the type of personalized characteristics and their combinations, as well as the technical procedure for providing and using the Online Banking Service in case of system innovations, legal changes or for security reasons, by notifying the Customer through a message in the Online Banking System or to the e-mail address specified by the Customer, as well as through the official website of Municipal Bank PLC.

136. The Bank shall not be responsible when the user, due to technical reasons beyond the Bank's control, is not able to access the Seal Mobile Application /MySeal/ MB-mobile to generate an OTP code.

### **Order Execution through the System**

137. Transfers through the Online Banking Service shall be carried out in compliance with the requirements laid down in "Conditions for Making Payments" Section of these General Terms and Conditions, as well as:

137.1. Transfers between local and foreign persons and cross-border transfers shall be carried out in compliance with the requirements of the Foreign Exchange Act and the regulations on its application. In the event that according to the applicable legislation, additional documents are required (document - basis for transfer, etc.), they shall be submitted through the functionality for sending files immediately after ordering the transfer, but no later than the time limit specified in para. 167-170, "Conditions for making payments" Section.

137.2. The Bank may require the submission of documents in soft or hard copy in accordance with the requirements of the applicable legislation.

138. The payment orders received outside the Bank's working hours with customers shall be considered to be received on the first following business day and executed during the Bank's working hours in accordance with the deadlines for accepting and processing BGN and currency transfers specified in these General Terms and Conditions.

139. Payment documents with a specified future value date for execution shall be processed on the date specified in the payment document or on the first following business day, if the specified date is a non-business day, and the processing shall be carried out automatically at once at the beginning of the accounting day, in case there is sufficient balance on the account at the end on the preceding accounting day.

140. The Customer may give orders for the execution of a credit transfer after ensuring sufficient balance on the account within a period of time specified by the Customer. In this case, the payment orders shall be considered to be received on the business day on which sufficient balance is ensured on the account and are executed during the Bank's working hours in accordance with the deadlines for accepting and processing BGN and currency transfers defined in these General Terms and Conditions.

141. Orders for payment operations that require currency conversion shall be accepted by the Bank only if there is a corresponding exchange rate announced by the Bank and within the working hours.

142. The Bank allows for negotiation of preferential exchange rates for operations through the Online Banking System only during the Bank's announced working hours.

### **Cases of Blocking the Customer's Access to the Online Banking System**

143. The Customer may submit a request to block the access of a registered user to the Online Banking Service by submitting a model or free text application in a Bank's office.

144. Any registered user shall be entitled to request to block their access to the Online Banking System.

145. The Bank shall be entitled to impose restrictions regarding the use of the Online Banking System, including blocking the access to it and/or introducing additional requirements for executing operations consistent with the applicable legislation and/or these General Terms and Conditions, in connection with maintaining the necessary information system security and/or when making technical improvements to the product.

146. The access of a registered user to the Online Banking System shall be automatically blocked if wrong access password or wrong OTP code has been consecutively entered 3 (three) times. In case of blocked access, the user should visit a Bank's branch to submit the relevant application for unblocking and/or reissuing the access password.

147. The Bank shall be entitled to ex officio block the access of individual or all users registered by the Customer to the Online Banking System for objective reasons related to the security of the personalized security tools of the Customer/user or the System, including in the event of a fraud attempt by the Customer, in case of suspected unauthorized/illegal use by unauthorized persons.

148. In case the Bank ex officio blocks the access, it shall be bound to notify the Customer on the phone number or e-mail indicated by the latter about the reasons for the blocking, unless the provision of such information is not allowed due to security reasons.

## **MOBILE BANKING**

### **General provisions**

148a.1. The "Mobile Banking" service shall provide Customers (their legal representatives or persons, authorised by them) with remote access to the products and services offered by the Bank through a specialized mobile application called "MB-mobile" for iOS, Android and HarmonyOS operating systems (phone, tablet, etc.). The Bank's customers can use the service after downloading the application from the App Store, Google Play or AppGallery, 24 hours, without a day off, except during technological procedures requiring interruption of the service.

148a.2. In order to use the Service, the Customer must provide the Bank with a current mobile telephone number and email address for each of the persons (legal representatives/authorised persons) authorised to operate and/or access the Mobile Banking System (Requested Users) and ensure that they have mobile devices that meet the minimum hardware and software requirements, specified by the Bank in the Mobile Banking System User Guide (the Guide). The Guide is published on the official website of Municipal Bank Plc.

148a.3. The Mobile Banking service may be used separately and independently from the Online Banking service. The customer may use both services or only one of them at his choice.

### **Services provided through the Mobile Banking System**

148b. The mobile banking system shall enable the Customer (account holder/s), through the registered users, to use the following services:

148b.1. Information services including access to:

- a) statements and reports on payment accounts;
- b) information on exchange rates;
- c) other reference information (Tariff, etc.);
- d) notifications from the Bank, including information on received transfer.

148b.2. Payment services:

- a) to order credit transfers in BGN and in foreign currency in an amount up to the BGN equivalent of 30,000 BGN at the exchange rate announced by the bank for the relevant currency;
- b) to order non-cash transactions for the purchase/sale of currency at rates announced by the Bank.

148b.3. Additional services:

- a) Change of access password;
- b) Change of personal information;
- c) Change notification settings, language, etc.

148c. Mobile banking services can be used, at the Customer's choice, in one of the following forms:

- a) "Mobile passive banking" - for performing reference operations and operations related to the security of services: checking availability and movement on payment accounts; change of password for access to the System, change of mobile device, change of personal information; change settings for receiving messages from the Bank.
- b) "Mobile active banking" - for performing through the System the services included in mobile passive banking, as well as the following types of payment and non-payment operations: ordering credit transfers in national or foreign currency in an amount up to the BGN equivalent of 30,000 BGN (with the exception of transfers for which additional documents are required according to a regulatory requirement) and currency exchange orders.

148c.1. The Bank shall have the right to expand or limit the scope of services it provides through the Mobile Banking System depending on changes in applicable legislation, market conditions, security considerations or improved functionality of the System.

148c.2. In the event that the changes are related to limiting the scope of services, the Bank shall notify the Customer within the period provided for changes in these General Terms and Conditions.

148d.3. Where the Bank extends the scope of the services that can be used through the System, the Customer shall be deemed to have consented thereto and in such cases the time limit for prior notification to the Customer in the event of changes to these Terms and Conditions shall not apply. In the event of extension of the scope of services, the Bank shall provide on its official website a notice indicating the new service available through the Mobile Banking System and the date on which it will be available.

### **Terms of registration**

148d.1. The "Mobile Banking" service can be requested by the Customer in any branch of the Bank, by completing a Request for registration/change/termination of registration for mobile banking (registration/change request) according to the Bank's template.

148d.2. The request for registration/change shall be submitted by the Customer's legal representative(s) or his/her/their authorized person(s), which shall indicate the account numbers for which the Customer wishes to receive information and/or perform banking transactions and shall state the persons to be employed and their access rights in the system. The Bank has the right to request additional documents and information in order to proceed with the conclusion of a contract.

148d.3. The Bank shall independently assess and make a decision on applications for the use of the Mobile Banking service, and in the event of refusal, the Bank shall not be obliged to give reasons for the decision.

148e. The "Mobile Banking" service may be used by Customers who have opened at least one account with the Bank, the terms of use of which provide for an additional mobile banking service and have fulfilled the requirements set out in clause 148a.

148f. The Mobile Banking Contract shall be signed by the legal representative(s) or his/her/their attorney authorised by an express power of attorney with notarised certification of signature(s).

148g.1. The Customer's legal representative(s) shall have the right to authorize other persons with the right to dispose of amounts in the Account and to access several or all services provided through the Mobile Banking System. Assignment of disposition rights to an authorized person shall be made upon the provision by the Account Holder of an express power of attorney with notarization of the signature of the authorizing person, entitling the authorized person to dispose of one or all of the account holder's accounts, and defining specific rights of access to the services provided through the Mobile Banking System and relevant limits is done through a registration/change request.

148g.2. The Bank shall have the right to refuse to accept a power of attorney that contains inaccurate, unclear or inconsistent data with other submitted documents.

148h. Each person designated and authorized by the Customer to access the Mobile Banking System shall register as a separate user. The Customer (Account Holder) may set and change for each User (Authorised Person) maximum amounts (limits) up to which payments may be made in the System on the relevant



Account, as well as set rights for signing documents (by one or jointly by two Users). The limits per user for a specific account may be: daily, weekly and per individual payment service (document).

148i. Any change (addition/removal of accounts, change of rights, change of mobile phone number, etc.) in the Mobile Banking System shall be executed upon submission of a registration/change request with the required changes signed by the Customer. Once a registration/change request is completed, user registration and changes to the service are made on the same business day as the request.

### **Identification in the Mobile Banking System**

148j. For initial registration, the Bank generates the user's username and password and sends them via two separate messages to the user's email address. After the initial registration in the System, a mandatory change of password is required by the user at the system level. To activate the application on the device, the Bank sends a six digit activation code via SMS to the phone number.

148k. After activating the application, the user creates a PIN and selects an identification method - PIN or biometric characteristic (fingerprint or facial recognition). Upon subsequent login to the System, the user shall be identified by the PIN or biometric characteristic created by him and under his control. The Mobile Banking System receives a confirmation of the successful/failed fingerprint or facial recognition from the application on the mobile device.

148l. For the execution of any of the Payment Services or for its cancellation, it is mandatory to enter the PIN code created by the user or successful finger/face recognition, according to the identification method set by the user.

148m. The signing of the statements of the Customer's legal representatives and their authorised signatories to the Bank in the performance of transactions and actions in the Mobile Banking System by means of identification and signature, as referred to in clauses 148k and 148l, shall have the meaning and effect of an electronic signature within the meaning of the Electronic Document and Electronic Certification Services Act, and pursuant to Article 13(4) of the same Act, the Customer and the Bank agree that they shall consider such signature to be a handwritten signature.

148n. The Bank shall have the right to change the type of customized features and their combinations, as well as the technical procedure for providing and using the Mobile Banking service in the event of innovations in the system, legal changes or for security reasons, notifying the Customer thereof by means of a message in the Mobile Banking System or to an e-mail address indicated by the Customer, as well as via the official website of Municipal Bank JSC.

### **Execution of orders through the System**

148o.1. Transfers through the Mobile Banking service shall be carried out subject to the requirements described in "Online Banking", items 138-142, in the section "Terms for making payments" of these General Terms and Conditions, as well as:

148o.2. Transfers between domestic and foreign persons and cross-border transfers shall be made in compliance with the requirements of the Currency Law and its implementing acts. In the event that additional documents are required under the applicable legislation (document-justification for the transfer, etc.) the transfer cannot be executed via Mobile Banking system.

### **Events of blocking the Customer's access to the Mobile Banking System**

148p. The Customer may submit a request for blocking the access of a requested user to the Mobile Banking service by submitting an application form or free text to a branch of the Bank.

148q. A Requested User has the right to request blocking of his/her own access to the Mobile Banking System.

148r. The Bank shall have the right to impose restrictions on the use of the Mobile Banking System, including blocking access to it and/or introducing additional requirements for performing transactions arising from the applicable legislation and/or these General Terms and Conditions, in connection with maintaining the necessary security of the information system and/or when making technical improvements to the product.

148s. The access of a requested user to the Mobile Banking System shall be automatically blocked upon 5 (five) consecutive incorrect entries of the access password during initial registration or PIN code during subsequent login to the System. In case of blocking of access, the user should visit a branch of the Bank to apply for unblocking and/or reissuance of access password.

148t. The Bank shall have the right to block access to the Mobile Banking System to any or all users requested by the Customer on its own for objective reasons relating to the security of the Customer/user's personalised security features or the System, including in case of fraud attempt by the Customer/user, in case of suspected unauthorised/illegal use by unauthorised persons.

148u. In the event of an ex officio blocking of access by the Bank, the Bank shall inform the Customer by telephone or e-mail of the reasons for the blocking, unless the provision of such information is not permitted for security reasons.

#### **Obligations of the Customer When Using the Online and Mobile Banking Service – for short Service from 179-154**

149. When using the Service, the registered users shall be bound:

- a) to use all their personalised access devices in person, including the mobile devices designated for the OTP code, keeping them with due care;
- b) to keep all their personalized security tools confidential, taking all necessary measures against their knowledge and use by other persons;
- c) to notify the Bank of the loss, theft, misappropriation or illegal use of any of their personalized security tools, immediately after becoming aware of it, in order to block the access to the System Online and Mobile Banking Service. The notification shall be made by submitting a request for blocking in a Bank's office, as well as by phone at the phone number of the office where the online / mobile banking agreement has been concluded.
- d) after receiving the personalized security means for access the System, to take all reasonable steps to protect them, including not to record any information about them and not to store them in a way that makes it possible for them to be known by other persons;
- e) to change the access password for the system periodically;
- f) to use the system at least once every 2 (two) months and check the information on the movement on the accounts.

#### **Obligations of the Bank**

150. When offering the Service, the Bank shall be bound:

- a) after receiving notification of loss, theft, misappropriation or illegal use of any personalized security tool of a registered user, to promptly block the access of the latter to the System;
- b) to store for a period of 5 (five) years the information allowing the tracking of the operations executing through an electronic statement;
- c) at the request of the Customer, within a period of up to 18 (eighteen) months from the date of the notification of loss, theft, misappropriation or illegal use of any personalized security tool of a registered user, to provide the Customer with the relevant evidence for the receipt of the notification.

#### **Responsibility of the Customer**

151. The Customer shall be responsible for:

- a) all actions performed on its behalf after gaining access to the System for using the service based on positive electronic identification.
- b) bearing all losses occurred as a result of unauthorized payment operations, if they are caused by fraud, failure to comply with these General Terms and Conditions, whether intentionally or due to gross negligence. Gross negligence is considered to be present when: a registered user has kept the username and password together, has provided his/her mobile device to a third party; has communicated and made available for use his/her identification data for accessing the System to a third party, including a relative or a family member.

#### **Responsibility of the Bank**

152. The Bank shall not be held liable:

- a) for damages resulting from unauthorized payment operations executed with the devices for personalized access to the System, if, before receiving a notification of their loss, theft or illegal acquisition, the Bank has performed in good faith any order to execute an operation and/or transaction;
- b) if as a result of false notification of loss, theft, destruction, etc. of the devices for personalized access to the System, it has blocked the Customer's access to protect the Customer's interests and this has resulted to the impossibility of sending electronic statements to the Bank;
- c) for notifications not received by the Customer, in case the Customer has not provided up-to-date data or has not informed the Bank about changes in them;
- d) for any consequences resulting from the use of the Service by the Customer or any registered user incorrectly or in violation of these General Terms and Conditions;

153. The Bank shall bear all losses related to unauthorized payment operations with the personalized security tools for access to the System, which occurred as a result of untimely blocking the Customer's access to the System after receiving notification of loss, theft, destruction, etc. of the devices for personalized access to the System.

#### **Suspension of the Access to the System and Termination of the Agreement**

154.1. The Customer may stop using the Service by filling out and submitting the relevant service cancellation request at a Bank's office.

154.2. The Bank shall be entitled to terminate the concluded Online/Mobile Banking Agreement with 7 (seven) days' notice without the need to indicate the reasons for that.

## V. CONDITIONS FOR MAKING PAYMENTS

155. The Bank shall execute payment operations upon order or with the prior consent of the Customer, based on payment documents prepared according to the Bank's model or documents containing all legally required details. The payment documents shall be signed by the legal representative(s) of the Customer or by their attorney, in hard or soft copy, using a payment instrument for remote access to the account – through online/ mobile banking or through payment bank cards, using personalized security tools.

156. The Bank shall make payments at the Customer's order up to the amount of the available funds on the account or up to the amount of a pre-agreed excess over the balance (overdraft), and in case of operations with a remote access payment instrument – according to the amount of the limits set, if any.

157. The Bank shall execute payment orders from the Customer's payment account under the conditions set by the Customer and in the chronological order of their receipt. No partial payments shall be made under individual payment orders. Exceptions are allowed in the case of enforced execution according to the statutory procedure, in case of ex officio collecting receivables and in case of ex officio correcting inaccurately executed operations.

158. The disposition of funds on a payment account shall be considered authorized from the time the Customer has submitted a signed payment order (when performing a credit transfer or cash transactions) or written consent (when performing a direct debit). The order or consent to carry out a payment operation with a payment card shall be submitted through personalized security tools and identification of the Customer (CVC code, name on the card, validity term, etc.).

### **Consent for Debit Card Payment Transactions**

159. The Customer/Cardholder shall consent to perform debit card payment operations by entering personalized characteristics. Card payment operations shall be allowed and considered authorized and irrevocable after receiving the consent and verifying the identity of the Customer/Cardholder.

160. The personalized characteristics for customer identification at ATMs and POS when withdrawing cash and paying for goods and services shall be carried out by reading the data from the chip (card information carrier) and confirming the operation by entering a valid PIN.

161. In case of transactions for the payment of goods and services through POS installed in commercial establishments and configured to accept contactless payments, the reading of the data from the chip (card information carrier) shall be carried out without confirmation with a PIN code, when the amount of the payment does not exceed BGN 100.00 (one hundred). The payments exceeding the specified amount and as a security measure, every sixth contactless payment, regardless of the amount, shall be confirmed by entering the PIN code.

162. In the case of payment for goods and services at merchants without the physical presence of the card, the payee shall enter the card number, the validity date, the three-digit code printed on the back of the card - CVC, and for merchants supporting the 3D Secure protocol – a static password and a dynamic 3D secret code.

163. With the exception of offline operations with contactless debit cards, card payments are authorized (approved) by the national card operator and the Bank at the time of the receipt of the relevant electronic request made by the Customer/Cardholder to carry out a debit card operation.

164. Online operations with debit cards may be executed within the available balance on the current account at the time of the payment operation.

165. The balance shall be formed as a result of the cash on the account and the overdraft provided by the Bank for use, reduced by the minimum required balance on the account. The available balance may also be reduced by the amount of other blocking imposed by the Bank, resulting from the terms of use of the card or from a regulatory document.

### **Deadlines for Payment Operation Execution and Value Dates**

166. The Bank shall accept for execution a payment operation ordered by the Customer, once or periodically, with a current date of execution, on an agreed future date or under a condition previously set by the Customer.

167. The Bank shall execute a payment operation (credit transfer and/or direct debit) in BGN, ordered with the current date of execution (value date), if the payment documents are received at the Bank by 2:30 p.m. on the business day for BISERA transfers and by 3:00 p.m. for RINGS transfers. The beneficiary's account shall be credited as follows:

- a) For BISERA transfers – on the same business day;
- b) For RINGS transfers – up to one hour after receiving the order.

168. Payment documents, received after the hours specified in the preceding paragraph, but not later than the working hours for Customers, determined by the Bank, shall be registered and accounted for in the accounting system on the day of their receipt and are executed with value date – the date of the following business day.

169. Where the payment documents for operations in foreign currency have been received by the Bank by 3:00 p.m. and no execution date is specified therein, the transfer orders (in foreign currency) shall be executed by the Bank depending on the Customer's order, the type of currency and the applicable payment system, as follows:

- a) in EUR on the territory of the European Economic Area – on the following business day. At the discretion of the Bank, express transfers shall be executed on the same business day (with current value date)
- b) other currency transfers – up to two business days.



170. Payment documents received after 3:00 p.m., but no later than the Bank's working hours for customers, shall be considered received on the Bank's following business day.

171. In case of impossibility to execute a transfer order within the deadline set for this purpose, the Bank shall immediately notify the Customer in accordance with the procedure laid down in these General Terms and Conditions and in the manner chosen by the Customer, specified in the Agreement.

172. Unless otherwise agreed, payment operations between accounts of the Bank's customers shall be executed on the same business day on which the payment documents are received by the Bank and provided that there is sufficient cash on the payer's account, including for the fees and commissions due according to the Tariff.

173. When money in cash is deposited by the Customer in the currency in which the account has been opened, the Bank shall deposit it on the account immediately – at the latest on the following business day after the time of the receipt of the funds.

174. In case of a payment operation ordered for the benefit of the Customer, the account shall be credited with value date being the the date of the receipt of the amount on the Bank's account.

175. Payment operations with an execution date different from the date of submission of the payment documents shall be executed on the specified execution date, and the Customer's account shall be debited with the amount of the transfer and the fees due for the transfer shall be collected at the same time.

176. The Bank shall accept credit transfer payment orders with an execution date no more than 5 (five) business days after the date of the submission of the payment document.

177. In case the execution date is specified in the direct debit order, the Bank shall accept the direct debit order when the originator submits it at least 2 (two) business days before its execution date. The Bank shall ensure the beneficiary's account crediting on the execution date – for intrabank direct debits and no later than the business day following the execution date – for interbank direct debits.

178. In the case of corrective (remedial) operations, the date of the erroneously executed operation shall be considered as the value date of debiting/crediting the account.

179.1. The Bank shall not be responsible for non-compliance with the time limits and value dates specified in these General Terms and Conditions:

- a) if they have occurred as a result of a technical problem in the operation of the payment system through which the relevant payment operations are executed;
- b) due to a discrepancy between the Bank's business days and the business days of the payment system or the correspondent bank or the beneficiary's bank;
- c) when the correspondent bank or the beneficiary's bank has requested additional documents or data, or has refused to perform a transfer to / to credit the beneficiary's account for reasons related to their applied policies.

179.2. In the cases referred to under para. 179.1(c), the Bank shall not have to refund the Customer the fees and commissions paid for the transfer and may charge additional fees if additional costs have been incurred in connection with the transaction.

### **Periodic Transfers**

180.1. The Bank shall provide the Customer with the option to use a service for the execution of periodic transfers in BGN, through which the Bank shall accept to carry out, at the Customer's request, repeated credit transfers at regular intervals of a fixed number of days or of a fixed number of months on a predetermined date (day of the month) in order to transfer funds to a beneficiary's account. The periodic transfers can be intra-bank and inter-bank.

180.2. The periodic transfers can be executed from a standard current account.

181.1. The Customer can order periodic transfers for a certain (fixed) amount of money, up to the amount of the minimum required balance or above a certain balance on the account (including the amount of the agreed overdraft), with the option of setting a minimum amount of the payment operation.

181.2. The Bank shall execute periodic transfers only in the event that the funds required for that purpose – the full amounts of the payments and the fees/commissions due for carrying out the transfers according to the Tariff – have been provided by the Customer on the account. No partial payments shall be allowed under individual payment orders.

181.3. A periodic transfer that has not been completed on the predetermined date due to a lack of sufficient funds on the account shall not be carried out, regardless of whether there are receipts on the account after the date of execution until the date of the next periodic transfer, of which the Bank shall notify the Customer according to the procedure determined by the latter in the relevant account agreement.

182. The Customer can order the execution of periodic transfers at regular intervals: with a fixed number of days – at intervals of a determined number of days, with the date of the transfer being the last day of the period, and with a fixed number of months on a predetermined date – the date of the transfer shall be the day of the month specified by the Customer on which the transfers are to be made at intervals of a certain number of months (e.g. monthly, every two months, quarterly, etc.).

183. In a month in which the transfer date does not appear as a number, the periodic transfer shall be executed on the last day of that month. When the date on which the periodic transfer is to be executed is a non-business day, the payment shall be executed on the first following business day for the Bank.

184. The Bank shall register, change or withdraw a periodic transfer at the Customer's order, according to a completed and signed Periodic Transfer Order (Order) as per the Bank's model, submitted by the Customer in a Bank's office. A separate registration shall be made in the main banking system for the execution of each periodic transfer.

185. For each of the options – registration, change or withdrawal of a periodic transfer, the Customer shall submit a separate Order, indicating its choice of option. Each Order shall bear the date of submission by the

Customer and a unique registration number under which the Customer, in the capacity as payer (originator), shall affix its signature.

186. The Customer may change the conditions for the execution of a periodic transfer by submitting an Order containing the changed data, in which the "change" option is marked, no later than 3 (three) business days before the date of the first in line periodic transfer.

In the event of a change to the previously ordered conditions and parameters for a given periodic transfer, the registration for the execution of that transfer shall be changed in the main banking system.

187. The Customer can opt out of making a periodic transfer by withdrawing the originally submitted Order. In this case, the Customer should fill in and submit at a Bank's office an Order with the latest submitted data, in which the "withdrawal" option is marked, no later than 3 (three) business days before the date of the first in line periodic transfer.

188. The execution of periodic transfers shall be suspended as follows:

- a) after the date of the execution of the last transfer specified in the Order;
- b) at the Customer's request, in the cases referred to in para. 187 – within 3 (three) business days from the date of the withdrawal of the submitted Order;
- c) at the request of the Bank – with a two-month's notice submitted by the Bank to the Customer in hard or a soft copy or other durable media, whereby the Bank shall not be bound to justify its request;
- d) upon the termination of the framework agreement for the relevant account and the closure of the account from which the periodic transfers are made.

### **Group (Mass) Payments**

188a.1. The Bank shall provide the option for the Customer to use a service for making group (mass) payments in BGN. The group payments may be intrabank and interbank, and may be made from payment accounts opened with the Bank.

188a.2. Group payments may be ordered in a Bank's office or through the Online Banking System in the cases where the Customer uses the Online Banking Service with active access.

188a.3. The Bank shall make group payments at the Customer's order and according to a file prepared by the latter in a format and containing data consistent with the requirements of the Instructions of Municipal Bank PLC for Compiling Input Files for Group (Mass) Payments. The Instructions are available in the Online Banking System and are provided in hard copy to the Customer upon request.

188a.4. When the execution of group payments is ordered at a Bank's office, the verification of the Group Payment Order signed by the Customer and of the technical medium on which the file, prepared in compliance with the instructions of the preceding paragraph, is recorded, shall be carried out in accordance with the Procedure for Ordering Group (Mass) Payments at a Bank's Office by a Corporate Customer. The Procedure is provided to the Customer in hard copy upon request.

188a.5. When making a group payment, the Customer shall pay a fee for each single payment included in the group payment, according to the Tariff.

188a.6. The Bank shall execute group payments only if the Customer has provided sufficient funds on the account from which the payments are ordered, exceeding the value of the minimum required balance for the account, in order to execute each single payment and the fees due to the Bank.

### **Right to Refuse to Execute Payment transactions**

189. The Bank shall be entitled to refuse to accept payment documents submitted for the execution of a payment operation, when they are not completed and presented by the legal representative(s) of the Customer or their attorney.

190. The Bank shall be entitled to refuse to execute a payment operation in the following cases:

190.1. The Bank finds that accepted payment documents the execution of the operation do not contain the required details or do not meet other requirements specified in these General Terms and Conditions;

190.2. In case of insufficient funds provided by the Customer for the execution of the relevant operation on the date of receipt of the documents or within 5 (five) business days, starting from another date (if such is specified in the transfer order);

190.3. The amount of the credit transfer order exceeds the overdraft agreed with the Customer;

190.4. The required Customer due diligence requirements under the AMLMA cannot be met by the Bank (including, but not limited to, those related to the identification of the Customer, establishing the origin of the funds to be used for the execution of the operation, etc.);

190.5. The Bank may refuse to execute a payment order when it has reason to believe that the execution would expose the Bank to a risk of sanctions or administrative coercive measures by any government, international structure, regulatory body or enforcement authorities. In established cases where the Bank's Customer bears the risk of sanctions or administrative coercive measures, the incoming transfers shall be returned to the originator through the originator's bank, and the payment orders shall not be accepted for execution. In case of establishing a violation of the prohibitions on carrying out the foregoing operations due to the Customer's fault, the Bank shall be entitled to immediately block the Customer's accounts opened with it for disposition operations (receiving and/or ordering) of payments, as specified in Art. 254 of these General Terms and Conditions. In connection with the above, the Bank shall be entitled to request additional documents and information from the Customer, including on already completed payment transactions, if, in its opinion, there is a situation related to the regime of sanctions/restrictive measures.

190.6. The failure of the Customer to cooperate to provide documents and information in connection with the execution of a payment operation from/to its account related to the application of the applicable legislation on the prevention of money laundering and terrorist financing and the regime of sanctions and restrictive measures, may result in a delay or refusal to execute the relevant payment transaction. In some

cases, due to reasons beyond the Bank's control, the payment transaction may be refused or delayed despite the Customer's assistance and the Bank's efforts, e.g. in case the correspondent bank refuses to execute the operation, etc., which the Bank, although applying due care, could not overcome.

190.7. In other cases provided for in the applicable regulations.

191. In case of non-execution of the payment order due to lack of funds on the Customer's account or if the amount of the credit transfer order exceeds the agreed overdraft, the Bank shall notify the Customer within the terms agreed for the execution of the payment order or enter the documents in the accounting system on the day the funds are provided on the account.

192. The Bank shall be entitled to send to the beneficiary's bank a refusal to make a payment on a received debit order if any of the following conditions are met:

192.1. the account is closed;

192.2. if the Customer has not provided the necessary available balance on the account on the date of the receipt of the debit order or within 5 (five) business days from the date of the execution;

192.3. The Customer has not provided its consent for direct debit or all the conditions of the consent provided have not been met.

193. The Customer may not cancel the payment order after its filing to the Bank.

194. The Customer may not cancel a payment order for a payment operation at the initiative of or through the beneficiary (direct debit and payment card operation) after handing over the payment order or giving consent for the execution of the operation.

195. The Customer, acting as the payer of a direct debit operation, may cancel the payment order at the latest by the end of the business day preceding the day of debiting its account.

196. In the cases referred to in para. 194 and 195, if the beneficiary's account has not yet been credited, a transfer order can only be cancelled with the consent of the Bank and the beneficiary.

197. The Customer may withdraw an order or consent given by it to execute a payment transaction before the payment transaction has become irrevocable – before receiving the payment order from the payer's Bank or before the payer has consented to execute the payment transaction to the benefit of the beneficiary (when the payment operation is executed at the initiative of or through the beneficiary).

198. The fee collected by the Bank for the cancelled transaction is non-refundable.

199. In case of a payment order, ordered to be executed on a specific date or on the date following the expiration of a certain period, or on the date on which the Customer provides the funds necessary to execute the order, the Customer may revoke the payment order at the latest by the end of the business day preceding the day agreed for debiting the account.

200. In the case of direct debits, the Customer may cancel the payment order at the latest by the end of the business day preceding the day agreed for debiting the account.

201. The Bank shall accept a request to cancel a payment order only if it is made in writing. The Customer shall have to pay a fee to the Bank for the cancellation.

202. The Bank shall not be entitled to refuse the execution of a payment operation if, before its execution, the Customer has ordered or consented to its execution, except under the conditions of para. 203 and 206.

203. The Bank may refuse to execute a payment operation ordered by the Customer if there is a legal restriction according to the applicable legislation and these General Terms and Conditions, as well as in case of suspected unauthorized use of the personalized security tools, for the Customer has expressly consented by signing these General Terms and Conditions. The provision is not applicable in the case of debit card transactions.

204. In case the Bank refuses to execute the payment operation, it shall notify the Customer, indicating the reasons for the refusal and the procedure for correcting the factual errors, if any, unless there is a prohibition to provide such information according to a law or any act of the European Union. The notification shall be promptly provided to the Customer within the agreed terms for the execution of the payment operation and in a manner specified by the Customer in the relevant agreement. To receive the notification by mail, the Customer shall pay the Bank a fee/commission according to the applicable Tariff, unless otherwise agreed.

205.1 The Bank shall be entitled to immediately block a payment account for disposition operations – ordering and receiving payments – when the Customer / its beneficial owner / legal representative or attorney or a person related to the account operations is subject to national or international sanctions / bans / restrictions, as well as in the event that the Bank may not meet the due diligence requirements under Art. 10(1-4) AMLMA;

205.2. The Bank shall be entitled ex officio to block and/or return funds improperly received on the Customer's account in case of unauthorized payment operations or payment operations executed as a result of illegal actions, for which the payer's bank / correspondent bank has notified the Bank and/or has requested refund, for which the Customer consents by signing these General Terms and Conditions.

206. The Bank shall not accept orders to execute payment operations if, upon request, the person(s) who signed the payment document refuse(s) to provide an identity document for identification and verification of their signature(s).

## **VI. COMMUNICATION BETWEEN THE PARTIES**

### **Provision and Exchange of Information**

207. All statements of the parties with legal significance shall be made in writing, including to the electronic addresses of the parties specified in the registration form. The parties may also exchange statements through the Online Banking System, in case the Customer has concluded an agreement for the use of the service.

208. The Bank shall provide the Customer with up-to-date and complete information about the products and services it offers and their terms and conditions, the method of determining interest rates, the amount of fees and commissions, exchange rates, as well as the content of the effective applicable General Terms and Conditions, the Tariff and the Bulletin in the Bank's offices and on its website [www.municipalbank.bg](http://www.municipalbank.bg).



209. The Customer shall be entitled at any time during the validity of the Agreement to request and receive these General Terms and Conditions, the Tariff and the Bulletin, as well as to download them from the Bank's website in an up-to-date form on the date of their provision.

210. The Customer shall be bound to monitor and keep informed about the content of the effective and applicable General Terms and Conditions, the Tariff and the Bulletin, as well as about all changes thereto, and may not plead ignorance of the Bank's terms and conditions in force at any specific time, which are binding on that Customer and which engage it as from the date their announcement by the Bank.

211. In case of changes in the initial data provided by the Customer upon the conclusion of the Agreement for the relevant product/service, it undertakes to inform the Bank in writing within 7 (seven) days of the change and to provide the relevant evidence/documents for it, if such have been issued. All notifications and other messages sent to the last known correspondence address, mobile phone number, e-mail address known to the Bank shall be considered received by the Customer.

212. The Customer / authorized Cardholder /Registered User shall be bound to inform the Bank within 7 (seven) days of changing the mobile phone number or switching to another mobile operator, including when keeping the existing number.

213. The Bank shall not be responsible in the event that a Customer or an authorized Cardholder / Registered User has not provided an up-to-date mobile phone number for sending SMS notifications, receiving 3D secret code and OTP code or has not notified the Bank of a change in the provided number and this resulted in the impossibility of being notified of the actions taken by the Bank to block ex officio the card or identify the Customer or User.

214. The Bank shall be bound to notify the Customer / Cardholder / User of its blocking / unblocking the access to any payment instruments using the mobile phone number and/or the e-mail provided by the Customer, before proceeding to blocking / unblocking or immediately after that action, and of the reasons that necessitated the blocking, unless giving such information is not allowed due to security reasons or in order to comply with regulatory requirements preventing the Customer / Cardholder / User from being informed.

215. The Bank shall not be responsible for the receipt of the sent messages by the Customer.

216. The Customer / Cardholder / User shall be bound to immediately notify the Bank in writing in case of loss, destruction or theft of a document certifying the existence of an opened payment account and/or an instrument for remote access to an account opened with the Bank. The notification shall be made in person by the Customer / Cardholder / User or by an authorized person filing a request in free text.

217.1. The notification to the Bank by the Customer / Cardholder, in case of inability to use a payment instrument (debit card) and/or its associated personalized security tools, can be carried out in the following ways:

a) 24/7 on phone +359 0700 15 885;

b) in person or in writing at the Bank's address, including by post, whereby the notification shall be deemed to have been made upon its receipt.

217.2. The notification of debit card blocking may be submitted 24/7 on phone phone 02/9300181 or on the phones specified on the website of BORICA AD ([www.borica.bg](http://www.borica.bg)) . The notification to BORICA AD shall be considered valid only if the Customer provides the data required by the national card operator.

217.3. In the cases under para. 217.1, the Customer / Cardholder shall be notified of and expressly consents on the recording of the telephone conversation and its data, including by audio recording, and stored for a period of 18 (eighteen) months.

218. The Bank may provide data to the Customer regarding the execution of money transfer orders within the following terms:

a) for BGN transfers made and received within one business day – after 12:00 on the following business day;

b) for transfers made in foreign currency – up to 3 (three) business days from the date of submission of the transfer order, and for received transfers in foreign currency – up to 1 (one) business day after the day of crediting the Customer's account.

219. The Customer may request that the Bank check the status of the payment process in relation to a transfer made on its order or expected on its account, subject to the payment of a fee according to the Tariff.

220. The Customer may request to receive information from the Bank / payment service provider via text messages, specifying a mobile phone number for their receipt. The text messages may contain information about account balance, card operation (withdrawal), etc.

221. Current information about the account (balance and operations) can also be provided to the Customer through a receipt from an ATM terminal.

222. The Bank shall provide the Customer with information on balances and operations on payment accounts in the form of a monthly statement, available upon request in any office of the Bank or in another way agreed between the parties to the agreement. The Bank, as a provider of payment services, shall be considered to have implemented its obligations to provide information on the payment operations carried out during the month at the latest on the date on which the information has been made available to the Customer (no later than the fifth day of the following month).

223. The Customer shall be entitled to receive monthly information on any change in the balance on its payment account, as well as on any money transfer made on its account or for its benefit in the agreed manner.

224. The Customer / Cardholder / Declared User shall be bound to fully cooperate with the Bank in cases of disputes over debit card payments, including by providing information about the registration of the mobile devices for access to the virtual space.

225. The Customer shall be entitled annually to receive free of charge information – a statement of fees, regarding all fees/commissions accrued for services used during the relevant period and, where applicable,

information regarding the interest rates for any overdraft on the payment account, interest rates on payment accounts and the total amount of accrued interest for the relevant period for the services related to the payment account.

## **VII. INTEREST, FEES, COMMISSIONS AND EXCHANGE RATES**

### **Interest**

226. The Bank shall charge interest on payment accounts depending on their type and currency in accordance with the current interest conditions on the date of accrual. The amount of interest is stated in the Bulletin in the form of the annual interest rate for the relevant type of account and the relevant currency.

227. Interest is expressed in percentage, representing the price of 100 currency units of capital used for 12 months (annual interest rate).

228. The Bank shall charge interest on current accounts and other borrowed funds "on demand" (without a fixed term) - on a 360/360 day basis;

229. The calculation of the interest for the days during which the sum of money has remained in the Bank shall be carried out daily, and each month is considered to be 30 days, and the year is considered to be 360 days. For months with 31 days, the 30th day is interest-free. In February, depending on whether the year is a leap year or not, the balance from the last day accumulate interest for 1 or 2 more interest days.

230. The interest shall be paid at the end of the year, upon the termination of the account agreement or upon the occurrence of other circumstances related to a change in the product service, unless otherwise provided for in the agreement for the relevant type of account.

### **Fees and commissions**

231. The Customer shall have to pay fees and commissions for the products and services used according to the effective Tariff at the time of their collection, respectively on the date of performing the service for which they are due.

232. The fees and commissions under the Tariff shall be payable in the currency of the transaction executed, and those for account opening, maintenance, closing and cash operations – in the national currency. When the operations or accounts are in a currency other than EUR or BGN, the fees and commissions shall be converted into the relevant currency at the effective official exchange rate of the BNB at the time of posting the operation, unless otherwise agreed.

233. The fees/commissions shall be paid in cash by the Customer or the Bank shall automatically deduct them from the balance on the account. The Customer shall be bound to ensure available balance on its accounts for the collection of the fees and commissions due.

234. The Bank shall collect ex officio the fees and commissions payable by the Customer in currency based on the consent provided by the Customer by signing these General Terms and Conditions and agreements (for account, cards, online/mobile banking, etc.). The amounts due shall be deducted from the balance of the account that participates in the payment operation (online/mobile banking), and in the event of a shortage of funds on the account – from any payment account of the Customer in BGN and foreign currency opened with the Bank.

235. The Bank shall notify the Customer of the basis, date and amount of the withheld fees and commissions in the provided account statement.

### **Exchange Operations**

236. When performing payment operations in a currency other than the one in which the Customer's account has been opened (in a Bank's office or through the remote access devices), the Bank shall debit or credit, respectively, the Customer's account by ex officio converting the amount of the operation at the applicable exchange rates for the relevant currency, announced in the Bulletin for the Bank's exchange rates at the time of accounting the operation. The amount shall be converted as follows:

a) when the account is in BGN and the amount of the operation is in foreign currency or vice versa – at the announced "cashless rates" or "cash rates", "buy" or "sell";

b) when the account is in one type of foreign currency, and the amount of the operation is in another type of foreign currency – at the announced "cross rates", "buy" or "sell".

237. Information on the exchange rates applied by the Bank is available in the Bank's offices, on the Bank's website and in the relevant e-channel (online/mobile banking) through which the services for payment operations in a currency other than the currency of the account are offered.

238. The Bank shall offer the option of concluding currency transactions at a preferential exchange rate, when the amount is greater than BGN 10,000 (ten thousand) or its equivalent in the relevant currency, calculated at the exchange rate announced by the BNB.

239. By signing the relevant framework agreement and these General Terms and Conditions, the Customer consents to carry out currency conversion according to the specified procedure.

240. Debit card payments shall be made in the currency of the respective country where the payment operation takes place. The amount of a card operation in foreign currency shall be accounted for in EUR in the Bank's account, applying the exchange rate of the International Card Organization Mastercard, valid on the day of the payment. The Bank shall debit the Customer's account with the amount of the payment made (in EUR), and the conversion to the currency of the account (BGN) shall be carried out at the EUR to BGN fixed exchange rate of the BNB. Information on exchange rates for card operations shall be published on the Bank's website [www.municipalbank.bg](http://www.municipalbank.bg).

241. The Bank shall not convert amounts in operations (with corporate debit cards) where the currency of the operation matches the currency of the Customer's account.

## VIII. RESPONSIBILITY OF THE PARTIES

### Responsibility of the Bank

242. The Bank shall not be responsible for any consequences arising as a result of:

- a) false, forged or incorrect payment documents presented to it, if externally they had the minimum required content and there was no doubt that they were drawn up by the persons named in the documents;
- b) incorrect and/or incompetent use of remote access payment instruments by the Customer.

243. The Bank shall not monitor the legality and shall not control the subject of the transaction as a result of which the payment occurred, unless this is provided for by a legal act or stipulated in a separate agreement concluded between it and the Customer. The Bank shall not be responsible for the usual banking mediation of the Customer's transactions concluded in violation of the legal acts.

244. The Bank shall not be liable for any non-execution or inaccurate execution of a payment operation ordered by the Customer, in case that:

- a) the Bank's delay or the actions taken by it aim at complying with or avoiding a violation of the legal requirements imposed in order to take measures to prevent money laundering and terrorist financing, or
- b) the non-execution or inaccurate execution is caused by the fault of the payer or the beneficiary in case they have incorrectly specified the IBAN or the payment account number or Personal Identification Number / Foreigner's Personal Number / Personal Number / Uniform Identification Code / BULSTAT (in the case of execution of available money transfers), or by the fault of another participant in the national payment system, or due to force majeure.

245. In case of non-execution of a payment order due to the indication of an invalid IBAN or payment account number or Personal Identification Number / Foreigner's Personal Number / Personal Number / Uniform Identification Code / BULSTAT, the Bank shall make reasonable efforts within its capabilities to recover the funds subject to the payment operation, having right to charge a fee in accordance with the Tariff. In the event that the refund cannot be made, at the Customer's request the Bank shall provide it with all the information available that is required to refund the funds under the general procedure.

246. In case of impossibility to execute an order to make an available money transfer due to the payer indicating an incorrect unique identifier of the beneficiary, the Bank shall promptly notify the payer of this fact and the right to be refunded the amount of the transfer.

247. When the Bank fails to execute a payment operation in accordance with the Customer's order, where it has credited an account with a different unique identifier, different amount, or when it has debited the payer's account with a different amount than that specified in the payment order, or in case of duplicate execution of an authorized payment operation, it shall ex officio correct the error through a corrective transfer.

248. Apart from the specified cases, in case of non-execution or inaccurate execution of payment operations in accordance with the Customer's order, the Bank shall be liable pursuant to Chapter Five, Section V of the PSPSA.

249. The Bank may ex officio carry out a corrective transfer, regardless of the restrictions in the applicable legislation or in the framework agreement, as long as the funds received on the Customer's account as a result of the inaccurately executed payment order do not belong to that Customer. The Bank shall not collect any fees and commissions from the Customer for performing a corrective transfer ex officio.

250. The Bank shall not be responsible where, due to the failure of the Customer / Cardholder / Registered User to implement their obligations under the relevant Agreement and these General Terms and Conditions, the payment account or the payment services and/or remote access payment instruments provided for use are used by unauthorized persons.

251.1. The Bank shall accept and perform liens on accounts in compliance with the applicable legislation of the Republic of Bulgaria. The Bank shall not be bound to notify the Customer of the received lien notices.

251.2. If a Customer's account is blocked by order of a competent authority, as a result of which the free disposal of funds is restricted or a transfer of a certain amount is required, the Bank shall perform all ordered actions within the specified period.

251.3. Upon the receipt of lien notices for the imposition of a security measure, the terms and conditions of the account shall not be changed. The holder can use the part of the funds above the amount of the security.

252. The Bank shall not be responsible to the Customer for the consequences of the imposed restriction or the operations executed according to the order referred to in the preceding paragraph. The Bank shall not assess the circumstances related to the imposed restriction, its legality or justification. The actions of the authority that imposed the restriction and any other procedures regulated by law, aimed at its cancellation, may only be challenged by the Customer before the relevant authority in accordance with the procedure provided for in the applicable legislation.

253. The Bank shall be entitled at any time to block the use of the account by the Customer, including all or part of the funds available on the account, as well as the payment instruments used to access the account, when there is evidence that funds have been deposited into the account as a result of fraud, as well as in cases where the Customer falls under the regime of sanctions and payment restrictions imposed by officially adopted rules and regulations, respectively by the Bank's internal policy on the prevention of the risk of money laundering and terrorist financing, or, respectively when there are imposed internal or international sanctions/bans on payments, the execution of which violates or could violate the adopted restrictions, for which the Customer unconditionally and irrevocably consents by accepting these General Terms and Conditions and signing the Account Agreement.

254. The Bank shall not be responsible for damages resulting from unauthorized or inaccurately executed payment operations, if it has in good faith performed an order to execute an operation and/or transaction,



including one received by the Bank electronically, before receiving a notification from the Customer according to the procedure and within the time limits regulated in these General Terms and Conditions.

255. The Bank shall not be responsible if, as a result of a false notification of loss, theft, damage, destruction, tampering or other illegal use of the personalized online/ mobile banking security and access tools, made in accordance with the established procedure, it has taken the necessary blocking measures in order to protect the interests of the Customer and that action resulted in the impossibility of sending an electronic statement to the Bank.

256. The Bank shall not be responsible if the Customer has not provided up-to-date data enabling the Bank to send notifications and this has resulted in the impossibility of notifying the Customer of the actions taken by the Bank for blocking the access to online / mobile banking.

257. The Bank shall not be responsible for the refusal to execute an operation through a remote access payment instrument due to lack of available funds on the Customer's account or insufficient available credit limit.

258. The Bank is not a party to the relations between the Customer, merchants or third parties when executing payment operations through remote access tools (debit cards and online/ mobile Banking) and shall not be responsible for the quality of the goods and services offered or for any disputes arising on this occasion.

259. The Bank shall bear all losses related to unauthorized payment operations with the personalized online/ mobile banking access security tools occurred after receiving a notification (verbal or written) of loss, theft or misappropriation.

260. The Bank shall be responsible for its failure to implement its obligations, even if the was executed through a terminal or other device that is not under the direct or exclusive control of the Bank, unless the operation was executed through a terminal or other device that is not consistent with the requirements of the international card organizations and the Bank.

261. The Bank shall also bear the damages for an error or irregular maintenance of the Customer's account, whereby the Bank's liability shall cover the amount of the unexecuted or inaccurately executed card transaction together with the interest.

262. The Bank shall be responsible for the non-execution of debit card operations if the non-execution is due to a defect in the card, the terminal or other device, unless the operation was executed through a terminal or other device not authorized by the international card organizations and the non-execution is due to intent or gross negligence on the part of the authorized Cardholder, or the Cardholder's violation of the requirements for using the card.

263. Where the Cardholder claims not to have authorized the execution of a payment operation with a corporate DC or that there is an inaccurate payment, the Bank shall bear the burden of proof in establishing the authenticity of the payment operation, its accurate registration, accounting, and that the operation is not affected by a technical fault or other defect in the service. The Bank shall provide information on card operations executed on a current account according to the procedure and manner agreed in the framework agreement for the current account. The information under the preceding sentence shall be kept for a period of 5 (five) years.

264. The Bank shall not be responsible if a payment operation has been refused due to technical or communication reasons in the systems of other operators, banks or other persons involved in the payment process, including when the other party refuses to accept the payment due to circumstances beyond the Bank's control.

265. The Bank shall not be responsible for damages suffered and lost benefits as a result of limitation of the scope of the services provided, changes in the price, the terms and conditions for accepting and executing customer orders, based on changes in the applicable legislation, market conditions, security considerations or improvements to the relevant service.

266. The Bank shall not be responsible for the identification of the person who ordered and made payments with a debit card through any of the systems for offering additional services, as well as it shall not accept claims for any inaccurately provided service or payment made by a System Operator. The Bank is not a party to the legal relations between the Customer and the Operators of systems for offering additional services and shall not be responsible for settling any disputes between them.

### **Responsibility of the Customer**

267. The Customer shall be responsible for all its actions and obligations resulting from the use of a payment instrument or payment account, including after the termination of the relevant agreement.

268. The Customer shall be responsible for all actions performed on its behalf after gaining access to the online/mobile banking System based on positive electronic identification.

269. The Customer shall be bound to use the opened payment account, the payment services and/or remote access payment instruments provided to it in compliance with the effective legislation, these General Terms and Conditions and the applicable special conditions for the relevant banking product/service/instrument.

270. The Customer shall be bound to take due care and not to use the payment account, payment service and payment instrument, and not to allow their use by third parties to carry out actions or achieve goals that are prohibited by law or may damage the good name of the Bank.

271. The Customer shall bear all losses incurred as a result of the use of lost, stolen or illegally appropriated personalized security tools, if, upon learning of this circumstance, it has not immediately notified the Bank in accordance with the procedure provided for in these General Terms and Conditions. The date on which the Customer becomes aware of that fact shall be considered the day on which the Customer receives an SMS notification or access to information about its accounts through the Bank's online/mobile banking e-

channel, and is provided with a bank statement of the relevant account in soft or hard copy at a Bank's office.

272. The Customer shall bear all losses occurred as a result of unauthorized payment operations, if they are caused by it or by an authorized cardholder or user of the online/mobile banking System through fraud, by failing to implement one or more of their obligations under these General Terms and Conditions, intentionally or due to gross negligence. Gross negligence shall include the following non-exhaustively listed cases:

- a) where a Cardholder authorized by the Customer has stored a corporate DC together with its PIN/other similar code and/or document containing information about the card's personalized security tools, including in the memory of a mobile phone;
- b) where the Customer or a Cardholder authorized by it or a user of the online/mobile banking System has disclosed or allowed the communication of the PIN, personal code for making 3D Secure Payments, OTP code or other similar code to a third party, including a relative or a family member;
- c) where a Cardholder authorized by the Customer has provided the card for use by a third party or has agreed or allowed the card to be used by a third party;
- d) where a Cardholder authorized by the Customer has sent an e-mail message containing details of the debit card issued to him/her and the related personalized security tools;
- e) where a Cardholder authorized by the Customer has not provided the Bank with an up-to-date mobile phone number for registering the card for the 3D Secure Payments service;
- f) where a Cardholder authorized by the Customer has provided his/her mobile device on which the My Seal mobile application is installed and on which he/she receives a personal code for making 3D Secure Payments, OTP code or another similar code to a third party;
- g) where the Customer or a user of the online/ mobile Banking System authorized by it has communicated and made available for use their identification data for accessing the online/mobile banking System to a third party, including a relative or a family member.

273. The Customer shall be entitled to contest the payment operations executed and the fees and commissions charged, recorded in the reporting information provided by the Bank for this purpose, by stating its written objections to the Bank within 14 (fourteen) days from the date on which the information was available for use by the Customer. In the event that the provided data is not contested within this period, it shall be considered approved by the Customer.

274. The Customer shall be entitled to contest payment transactions not authorized by it or incorrectly executed by the Bank, by stating its objections in writing to the Bank within 14 (fourteen) days from the date on which the information from the Bank reporting the payment transactions executed was available for use by the Customer, but no later than 3 (three) months from the date of debiting the account with the amount of the disputed operation. In the event that the provided data is not contested within this period, it shall be considered approved by the Customer.

275. The Customer agrees that the Bank will consider any contactless payment of up to BGN 100.00 (one hundred) with a contactless MasterCard debit card as authorized by it and will execute it by debiting its current account with the amount of the corresponding payment.

276. The Customer agrees that from the time a Cardholder authorized by it gives an order to execute the relevant debit card payment transaction, the Bank shall consider it as received from the Customer and irrevocable.

277. The Customer may bear the losses related to all unauthorized payment operations resulting from the use of a lost, stolen or misappropriated payment instrument, but not more than BGN 100.00 (one hundred), unless:

- a) the loss, theft or misappropriation of the payment instrument could not have been established by the Cardholder authorized by the Customer prior to the payment, unless the Cardholder acted fraudulently; or
- b) the damage was caused by an act or omission of an employee of the Bank or subcontractor authorized by it.

278. The Customer shall bear all losses related to unauthorized payment operations when it caused them by fraud or by failing to implement one or more of its obligations, resulting from the use of a payment instrument or payment account intentionally or due to gross negligence. In these cases, the Customer shall bear the damages regardless of their size.

279. The liability provided for in this Section shall not be borne in the even of exceptional and unforeseeable circumstances beyond the control of any of contracting parties, the consequences of which would inevitably occur despite the efforts made to prevent them, as well as in the cases where the Bank has acted in compliance with its statutory obligation under the Bulgarian legislation and the law of the European Union.

## **IX. LEGAL PROTECTION**

### **Personal Data and Bank Secrecy**

280. The Bank shall keep and not provide to third parties any information and data about the Customer which have been entrusted to it or have become known to it in connection with the performance of an agreement concluded by and between the Bank and the Customer, to which these General Terms and Conditions apply. Any information representing a bank secret shall only be provided to persons and according to the procedure provided for in the applicable legislation.

281. Account balances and operations shall be considered bank secrecy. Information about them shall be provided to the Customer and the persons authorized by it by means of a power of attorney with notarization of the signature of the authorizer. Third parties may obtain information about account balances and operations in accordance with the provisions of the applicable legislation.

282. Account information may also be provided to payment service providers designated by the Customer, if the account is accessible through one of the Bank's electronic channels and the Customer has given consent in this aspect according to the relevant procedure.

283. The Bank shall be entitled to provide BORICA AD and international card organizations with personal data and information on the balance and the limits of a current account of a Customer with an issued debit card.

284. In its capacity as a personal data controller, the Bank shall collect and process personal data of the Customer's legal representatives and the persons authorized by them to the extent that is strictly necessary and proportionate to the purposes of the processing, having ensured the necessary measures for their protection in accordance with the legal regulations at national and EU level.

285. With a view to offering personalized products and services and carrying out appropriate communication with existing and future customers, the Bank requires them to provide personal data and consent to their processing.

286. By accepting these General Terms and Conditions, the Customer confirms that it is informed and aware that the personal data provided by it will be processed by the Bank in compliance with the Privacy and Personal Data Protection Policy, available in the Bank's offices and published on its website at [www.municipalbank.bg](http://www.municipalbank.bg).

### **Deposit Guarantee**

287. The Customer's payment accounts in BGN and foreign currency shall be guaranteed by the Bulgarian Deposit Insurance Fund (BDIF) under the terms and conditions and according to the procedure laid down in the Bank Deposit Guarantee Act (BDGA).

288. The Bulgarian Deposit Insurance Fund shall guarantee the full payment of the amounts on the accounts of a single person with one bank, irrespective of their number and balances, amounting up to BGN 196,000 in total.

289. Deposits (accounts) that resulting from insurance or social security payments or payment of compensations for damages from crimes or from quashed convictions shall be guaranteed in the amount of up to BGN 250,000 for a period of three months from the time the amount is credited to the account of the depositor, or from the time the depositor acquired the right to dispose of the deposit (account) amount. The deposits (accounts) under this paragraph are not included in the calculation of the total amount of the Bank's liability to a single depositor under para. 288 within the three-month period.

290. The Bank's accounts/assets under para. 289 are not included in the calculation of the total amount of the Bank's liability to a single Customer under para. 288 within the specified period under para. 289.

291. The guaranteed amounts of the deposits with the Bank shall not be paid to:

- a) other banks when the deposits have been made on their behalf and for their account;
- b) financial institutions under Art. 3 of the Credit Institutions Act;
- c) insurers and reinsurers under Art. 12 of the Insurance Code;
- d) pension insurance companies and the funds for supplementary pension insurance and payment funds managed by them;
- e) investment firms;
- f) collective investment schemes, national investment funds, alternative investment funds and special investment purpose vehicles;
- g) budgetary organizations under §1(5) of the Supplementary Provisions of the Public Finance Act;
- h) Investor Compensation Fund, Bulgarian Deposit Insurance Fund and the Guarantee Fund under Art. 518 of the Insurance Code.

292. No guarantee shall be provided for the funds on account provided or related to transactions and operations that are considered to be money laundering within the meaning of Art. 2 of the Anti-Money Laundering Measures Act or terrorist financing established by final court judgement.

293. No payments shall be made on deposits (accounts) the holder of which has not been identified pursuant to Chapter Two, Section V of the Anti-Money Laundering Measures Act as at the date of the issuance of a deed under Art. 20(1) BDGA.

294. No amounts shall be paid on accounts on which there were no operations executed on payment orders of the depositor in the last 24 (twenty-four) months before the date of the issuance of a deed under Art. 20 (1) BDGA and the account balance of each of them is less than BGN 20.

295. The Bulgarian Deposit Insurance Fund shall provide access to the Bank's customers to the amounts to be paid under the guaranteed deposits not later than 7 (seven) business days as from the date of the issuance of a deed under Art. 20 (1) BDGA. In certain cases, in the Bank Deposit Guarantee Act, the period for the payment of the amounts can be extended.

### **Settlement of Disputes**

296. Any Customer shall be entitled to file complaints in connection with the provision of payment services by the Bank. The complaints must be submitted in writing – according to the Bank's model – in any of the Bank's offices or by email to: [contacts@municipalbank.bg](mailto:contacts@municipalbank.bg). The complaints shall be registered in the Bank's registry office. All data and documents certifying its validity should be attached to the complaint. In the process of complaint consideration, with a view to objectively resolving the dispute and possibly correcting errors, the Bank shall be entitled to request additional data and documents.

297. The Customer shall be entitled to contest payment operations not authorized by it or incorrectly executed by the Bank, including those carried out with personalized security tools through the online/mobile Banking System, by stating its objections in writing to the Bank within 14 (fourteen) days from the date on which the Customer became aware of the information for completed payment operations, provided by the Bank in accordance with these General Terms and Conditions, but no later than 3 (three) months from the



date of execution of the contested payment operation. In the event that the provided data is not contested within this period, it shall be considered approved by the Customer.

298. The Customer shall be entitled to request the Bank to refund the entire amount of a payment operation already executed by the Bank and authorized, provided that it has been ordered by or through the beneficiary and the following two conditions have been cumulatively met: at the time of the authorization for execution of the payment operation, its exact value was not indicated, and the value of the payment operation exceeds the value, expected by the payer with view of his/her previous costs on similar operations and other case-specific circumstances. The request for the refund of the funds should be sent by the Customer to the Bank within 56 (fifty-six) days from the date on which his/her account was debited, together with the evidence regarding the existence of the specific conditions. Within 10 (ten) business days of the receipt of the request, the Bank shall be bound to reverse to the Customer the full amount of the payment operation or refuse to recover it, stating the reasons for the refusal and the authorities to which the payer may appeal.

299. The Customer shall not be entitled to a refund from the Bank of the amount referred to in para. 298, when it has consented to the execution of the payment transaction directly to the Bank and if the Bank or the beneficiary of the payment transaction amount has provided the Customer, in a manner agreed with it, with information about the upcoming payment operation, at least 28 (twenty-eight) days before the date of the execution of the operation.

300. Complaints filed later than 3 (three) months from the date on which the Customer's account was debited with the value of the disputed transactions, as well as contactless payments with MasterCard debit cards that are not confirmed with a PIN code, shall not be considered.

301. The Bank shall be bound to issue a ruling and notify the Customer in writing of its decision on any complaint received in written form in hard copy or in other durable medium, within 15 (fifteen) business days of its receipt at the Bank. The specified period may be extended for up to 35 (thirty-five) business days from the receipt of the complaint, when, for reasons beyond the Bank's control, it is not able to make a decision, for which it shall notify the Customer in a timely manner, specifying the reasons for the delay and the period in which the decision on the complaint is to be received.

302. The Bank undertakes to assist in resolving the cases of transactions disputed by the Customer according to the procedure and within the terms in the banking practice established in the country and the rules of the International Card Organization.

303. When submitting a complaint in connection with disputed card operations, the Cardholder shall certify to the Bank that the debit card with which unauthorized operations were carried out is in his/her possession.

304. The Bank shall be entitled to require the Customer/Cardholder to submit documents issued by the competent authorities, when investigating and resolving cases related to disputed debit card payments. At its discretion, the Bank may refer the matter to the competent authorities in cases where it has been notified by the Customer/Cardholder of a stolen or otherwise unlawfully used card.

305. In the event that the Bank considers the complaint to be well-founded, it shall reimburse the Customer for the amounts of the disputed operations together with the deducted fees.

306. If the Bank fails to issue a ruling within the terms referred to in the preceding paragraph or where its decision does not satisfy the Customer, the dispute may be referred for consideration to the Conciliation Committee for Payment Disputes at the Consumer Protection Commission.

Information regarding the acceptance and consideration of customer complaints can be found on the Bank's website, in the "Feedback" section at <https://www.municipalbank.bg>.

307. Additional information about the Conciliation Committee for Payment Disputes and the conditions for its referral can be obtained at: 1 Vrabcha Str., floors 3, 4 and 5, Sofia 1000, phone 02 9330 577 or on the website [www.kzp.bg](http://www.kzp.bg); e-mail: [adr.payment@kzp.bg](mailto:adr.payment@kzp.bg)

### **Governing Law**

308. For the any issues not settled in the Agreement and these General Terms and Conditions, the applicable regulations and the effective Bulgarian legislation shall apply.

309. Any disputes arising between the parties regarding the performance or interpretation of the Agreement and these General Terms and Conditions shall be resolved by mutual agreement, and if such agreement may not be reached, either party may refer the dispute to be resolved by the competent Bulgarian court.

310. If any of the provision of these General Terms and Conditions is or becomes invalid, this shall not affect the applicability of the remaining provisions of the General Terms and Conditions.

### **FINAL PROVISIONS**

§ 1. These General Terms and Conditions, the preliminary information and the framework agreement can be provided to the Customer in Bulgarian and English, and in the event of a conflict between them, the version in Bulgarian shall prevail.

§ 2. These General Terms and Conditions shall be provided to the Customer in sufficient time before the signing of the relevant Agreement, by placing them in premises to which the customers have access, or on the website of Municipal Bank PLC at [www.municipalbank.bg](http://www.municipalbank.bg).

§ 3. As these General Terms and Conditions become effective, the following documents shall be revoked:

1. General Terms and Conditions under the Framework Agreement for Payment Account of Corporate Customers of Municipal Bank PLC.
2. General Terms and Conditions of Municipal Bank PLC under Agreement for the Issuance and Use of Debit Payment Cards;
3. General Terms and Conditions of Municipal Bank PLC under the Framework Agreement for Internet Banking for Corporate Customers.

**§ 4.** These General Terms and Conditions were adopted by the Management Board of Municipal Bank PLC on 1 December 2022 and entered into force on 1 January 2023; amended and supplemented by the Management Board on 1 August 2023, in force from 10 August 2023; amended and supplemented by the Management Board on 26 September 2023, in force from 1 October 2023; amended and supplemented by the Management Board on 21 June 2024, in force from 24 June 2024.