

## Rules of provision and use of cards

Dear customer



Thank you for purchasing Converse Bank payment card. Please familiarize yourself with all the below conditions which regulate your and Converse Bank relationship with respect to the provision of payment and credit cards. Please keep these rules (hereinafter – “Rules”) which are considered as an inseparable part of the Rules

In terms of the rules

“Cardholder”, “You”, “Your” refers to the individuals and legal entities using payment cards issued by “Converse Bank” cjsc”

“Converse Bank” cjsc, “we”, “us”, “our” words refer to “Converse Bank” cjsc (registered per the RA Central Bank REsolutoin No 5 dated 13.09.1996, registration no: 57, certificate no 0164, Address – Yerevan, 26/1 V.Sargsyan street).

### 1. Contractual relationship

1.1. To obtain Converse Bank payment card, you should fill in an application in accordance with the template established by the Bank. By signing it, you certify that you fully accept the Rules and Tariffs and are obliged to be governed by them. Card provision agreement between us and you is considered as signed, when the Bank approves singing the Contract, by signing the agreement in writing, and/or by handing over the card to you.

1.2. We have the right to amend these rules and tariffs by notifying you at least 15 days in advance of these amendments entering into effect. If after the entry of the amendments into effect you continue using the Bank’s cards, we will consider that you have accepted the amendments.

1.3. You have the right to apply to the Bank in writing by requesting that the card provision agreement be terminated and the credit card limit be cancelled. Within 5 working days from the moment of receiving your written application, we will cancel the servicing of your card and will settle your liabilities towards the Bank from the amounts available on your Bank account. 45 days after terminating the servicing of the Card your card account will be closed and the amounts available on it will be transferred to your bank account, or will be provided to you in cash, at your discretion.

1.4. We are entitled not to terminate the agreement if the amount on your accounts is not sufficient to settle your liabilities towards the Bank

## 2. Converse bank cards

2.1. We provide international Visa Electron, Visa Classic, Visa Business, Visa Gold, Visa Platinum, Cirrus/Maestro, MasterCard Standard and MasterCard Gold and ArCa Classic local usage cards (hereinafter the Cards). You can use Visa/Master cards in those merchant/service and encashment locations of the RA and abroad where logotype VISA/MasterCard is displayed. ArCa cards are serviced only on the RA territory in those locations where logotype ARCA is displayed. Our Cards provide opportunity to

- perform non-cash payments in and get cash from ATMs,
- to get cash through POS terminals placed in the Bank,
- To perform non-cash payments through POS terminals placed in merchant and service locations
- To carry out cash and non-cash transactions with card accounts on the territory of the Bank without direct usage of cards.

Visa Electron, Visa Classic, Visa Business, Visa Gold, Visa Platinum, Cirrus/Maestro, MasterCard Standard and MasterCard Gold cards of Converse Bank allow performing payments and transfers also by internet.

2.2. Cards are considered to be the property of the Bank and are provided to you for use. The cards are provided within 1-5 days after submitting the completed Application to the Bank.

2.3. Immediately after receipt of the card you must sign on the reverse side of the cards, in the field specifically designated for this purpose. Your signature on the receipts issued to you as a result of the transactions with the card should match the one on the card. The incompliance of the signatures is grounds for declining the servicing of the Card.

2.4. After the expiry of the card's validity period you are obliged to return the card to the bank or destroy it by cutting it into two over the magnetic card.

2.5. After the expiry of the period of validity indicated on your card, we, considering your credit history, have the right to reissue your card without your additional instruction, if the resources available on your card account are sufficient for collection of the payments envisaged by the Tariffs. You may refuse the card reissuance, at least 10 days in advance notifying the bank in writing.

2.6. Together with the card, you are also provided with a PIN code, which is used for identifying you when making transactions in ATMs and trade points. The PIN code is not subject to publicizing, or provision to a third party. Care should be taken when entering the PIN code, because in case of its incorrect input for three times, the card will be automatically blocked and

will be unblocked based on a written or verbal application from you, for which payment will be collected using the bank tariffs.

2.7. You are obliged to undertake measures to maintain the security of your card, and to exclude its prohibited use. It is advised that a specific care be taken for the operations requiring the PIN code input, because solely you are responsible for these actions.

To secure the safe use of the card, it is advised:

a) to keep the card in a safe place, so that it could not be accessible to others. Do not keep the card together with electromagnetic radiation sources (mobile phones, near TV and other electrical units) as well as together with other cards.

b) not to provide the code to third parties, including Bank employees. Please memorize the code and do not write it anywhere, especially on the back part of the card. It is not advised to keep the card and the code together.

c) not to respond to email or postal letters or other messages which require you to disclose your pin code, the card number or the CVV2 code on the back of the card.

d) if during a transaction via internet a PIN code is required, immediately refuse making the transaction. The code is necessary only for operation in ATMs and POS terminals for encashment, as well as in some instances in trade points. When performing transactions with Internet, use only reliable sites.

e) When performing transactions with ATMs give preference to Converse Bank ATMs. Please make sure that when you enter your PIN code, it is not visible to other parties. Immediately address the bank if you have reasons to assume that your PIN code has become known to other persons.

f) make sure that when performing transactions via POS terminals the payment is made in your presence and the card is not taken out of your scope of visibility. Before signing on the payment slip, check the amount indicated on it.

g) To use Our services of SMS notifications on card transactions. It provides opportunity to be aware of transactions performed with the card immediately and to undertake actions for adjusting the incorrectness and stopping illegal usage of cards in time.

2.8. You have the right to apply to the bank to request one and more additional cards attached to your card account. The additional cards are provided based on the application and claim presented by you, by indicating the monthly limit of the additional card's use. You bear responsibility for all operations performed by additional cards.

### 3. Card account

3.1. Together with the Card, the Bank opens a card account in your name which accounts for the transactions performed by your card and without cards, all collections per the Bank tariffs, intermediary fees as well as fines and penalties collected.

3.2. Transactions carried out with the Card as well as all types of collections and intermediary payments arising from it may be accrued on the card account on the date of performing the transaction or at a later day, within the time periods envisaged by the relevant payment system .

3.3. When accounting for transactions at a currency which differs from the card account currency, we apply the rates established by the Bank and the relevant payment system for the date when the transaction was accrued.

3.4. When keeping the records, the Bank may use the positive resources on your Card account as well as the credit limit provided to you by the Bank. You accept that in the absence of a credit limit or insufficiency of such, to account for the transactions mentioned in the point 3.1. we may establish or add a credit limit without your preliminary approval or further consent, and to block your card, collecting fines established by the Tariffs. The blocked card will be unblocked after the payment of fines and/or the part exceeding the limit.

3.5. We have a right to pledge on the amounts available on your card account, as a security for the settlement of all liabilities you have towards the Bank. You are not entitled to pledge the amounts on your card account, without our prior written consent.

3.6. You accept that we have the right to withdraw all your overdue liabilities towards the Bank from all the accounts opened in the Bank in your name.

3.7. In the instances envisaged by the Bank tariffs, the Bank calculates and pays interest on the resources available on your card account. Interest is calculated on a daily basis and is accrued on your card account after each reporting quarter, within 5 (five) working days.

#### 4. Statements

4.1. On each 25<sup>th</sup> day of the month we will provide you with a statement reflecting all your transactions with Card account following the last Statement date. We may not provide a Statement, if no movement of account has taken place during the reporting period with your card account. Please compare the kept transaction slips with the actually performed transactions and in case of incompliance notify us in writing within 30 days after the Statement is issued, by presenting the transaction appeal claim per the format established by the Bank. We have the right to decline appeals issued after the expiry of the indicated period.

#### 5. Credit limit of the cards and annual actual interest rate.

5.1. Cards may be credit cards, i.e. besides the own resources on the card account, you may also use the recovering credit limit provided by us.

5.2. The used part of the credit limit should be repaid within a 15-day grace period following the issuance of the Statement, the expiry of which is indicated in your Statement. The Bank Statements envisage a minimal amount of limit used during the previous month, which you should pay before the expiry of the deadline indicated in the Statement. In case of settling the debt in full during the grace period, no interest will be collected from you for the use of loan, unless otherwise envisaged by the Tariffs.

5.3. Within 7 banking days after providing the credit limit, you have the right to unilaterally cancel the credit limit agreement (contemplation period) by returning to us the loan amount and interest accrued on it.

5.4. In case of incomplete settlement of the loan, interest is accrued on the unsettled part, starting from the first transaction carried out but not settled during the previous month, taking the year as 365 days and recessive years as 366 days. Should you violate the payment periods indicated in the statement, your loan liability is considered as overdue and a penalty is calculated on the unsettled amount, according to the procedure and in the amounts envisaged by the Tariffs.

5.5. We may unilaterally change the amount of your tariffs by notifying you in advance, in accordance with the procedure established by these Rules. In case of changes of loan interest in the market, the conditions of card loan provision, as well as deterioration of the market condition we may have the right to decrease or to eliminate your card's credit limit, by subsequently notifying you according to the procedure established by the Rules.

5.6. Interest on the credit limit in foreign currency is calculated and collected in AMD, at the exchange rate effective in the Bank at the moment of making the transaction.

5.7. The annual actual interest rate represents all interest and other payments, presented per annual interest on loan, which are subject to repayment against the receipt and use of the credit limit. The annual actual interest rate includes the interest payable for usage of credit limit, the card account service fees and other expenses. Please note that the actual annual interest rate does not include the fines collected for not repaying the loan on timely manner, the encashment fees and transfer fees.

5.8. The actual annual interest rate of your credit limit will be established when handing the card over to you, or when allocating the limit amount by a written agreement between you and the Bank.

5.9. The actual annual interest rate is calculated based on the following principles:

a) The period of validity of your loan limit is taken to be till 20 years. The validity period of the card provided for use of credit limit is 2 years, at the expiry of which the Bank has the right to reissue to card, review your credit limit or close your credit limit basing on the punctuality of repayments performed by you in the course of validity of the previous card, as well as your financial situation and the Bank credit policy at the moment.

b) on the day following the provision of limit, you completely expend the limit amount,

c) you repay the credit limit each month, on the last day of the grace period, in the minimal amount requested, according to the point 5.2. of the present Rules. In case of credit cards secured by collateral the credit limit is provided to you with monthly annuity or spring-shaped repayment variant without application for grace period of interest settlement.

5.10. To check and control your creditworthiness, our authorized employees have the right to exercise continuous control over your financial position, and request any information. You are obliged to immediately request the necessary documents and information.

5.11. You also permit the bank to make queries with your respect to ACRA Credit Reporting LLC, the RA Central Bank register and other persons, without your additional permission and assignment.

## 6. VISA GIFT Gift Cards

6.1. VISA GIFT Gift cards may be provided on your behalf and may be transferred by you to other persons. Gift cards may be provided in your name and transferred by you to other persons. With these cards it is possible to make payments and encashment within the limits of resources available on them. No card account is opened for VISA GIFT cards.

6.2. VISA GIFT cards are provided up to the expiry of the limit available on them and are not subject to reissuance.

6.3. You bear direct responsibility for all transactions carried out by VISA GIFT cards.

6.4. Should the VISA GIFT card be damaged, or the amount available on it has not been completely used after the expiry of the period indicated on the card, you may receive the amount on the card from the bank, by presenting a personal identification document, and filling in the sample documents of the Bank.

## 7. Loss of the Card

7.1. In case of loss or interception of the card you should immediately notify us using the following methods.

a) by calling + 37410 511 210, + 37410 54-55-14 /twenty-four-hour/ at the Bank, during working hours of the Bank, and informing us the secure code indicated in your application ( this is not the same as the PIN code) or on the ARCA processing center at the number + 37410 440 380 on the non-working days of the Bank, on holidays and rest hours. We may request your verbal instruction or written approval before blocking the card. After the verbal application and identification of your identity the card will be blocked.

b) by sending a written authentication at +37410 511 212 by fax or at the address card@conversebank.am, or by presenting a written application to any branch of the Bank. After the receipt of the written application, the Card is blocked within one working days.

7.2. Should your card be found after blocking, you should notify us of it. The validity of the Card may be restored after the fees for unblocking are collected.

## 8. The legitimacy and privacy of the transactions with the Cards

8.1. The Cards may not be used for any illegal operation or transaction arising out of it. Should doubt arise for the legitimacy of card transactions we are entitled to cancel the transaction without notifying you and/or block the card. We may also request additional information and demand documents before executing the transaction.

8.2. We may decline executing the transactions and/or block the Card if the card transaction is related to the transactions which are in conflict with the public order and morale (e.g. internet

gambling, sale and purchase of explicitly improper items and materials etc.). Reflection of the card logo in the places of implementation of the transaction does not imply that the transaction is legitimate.

8.3. We are obliged not to disclose or to provide to third parties, the information which has become our knowledge and which comprise a bank secret. Nevertheless, we are entitled to disclose such information to operators of settlement systems, processing and clearing organizations, the RA Central Bank, ACRA Credit Reporting LLC and other partners of the Bank.

8.4 We grant an opportunity for our card holders to receive messages on transfers and withdrawals made onto and from their cards/for some card types free of charge/ herewith avoiding unauthorized use of cards.

Upon the receipt of the above mentioned SMS message you must ascertain that the transaction has been conducted with your awareness, order or participation or of the person assigned by you. In case of unauthorized use of the card the card holder is obliged to inform “Converse Bank” CJSC or “Armenian Card” CJSC by calling by these numbers:

- **“Converse Bank” CJSC (+37410) 511-210, 511-213, 545 514 /24 hours/,**
- **“Armenian Card” CJSC (+37410) 440-380/24 hours/.**

In case of informing on unauthorized use of a card your card will be immediately blocked and the Bank, upon the application of a card holder, will consider the details of the transaction and, if necessary, will begin the process of appeal.

## 9. Communication between you and the Bank

9.1. Exchange of documents between you and us (including the modification of Rules and Tariffs, and provision of card statements to you) is performed in writing, per the method preferred by you.

9.2. Communication between you and us is performed by Postal communication, the Bank shall not bear liability for the late delivery of documents, or disclosure information comprising bank secret

9.3. You must immediately notify us of any modification of your address and any communication means. Before receiving your notification, we will contact you, based on the documents, previously provided by you.

9.4. We are entitled to record our and your verbal communication, including telephone conversations. The records are proof for regulating possible disagreements.

## 10. Your and Bank's liability

10.1. Servicing of your card presumes application of information technologies and communication means and use of third party services. You accept that the Bank may not bear liability for the losses borne by you as a result of the transactions performed by you through

cards, except for the cases when the losses have resulted from the neglect or gross negligence of the Bank employees.

10.2. We and you will be relieved for the responsibility established for the violation of liabilities undertaken against each other, if the violation is a result of disruption of communication, electricity failures, acts of State bodies, political disorders, earthquake, flood, and other extraordinary circumstances which the parties could not prevent.

## 11. Procedure for settling disputes

11.1. Any disagreement between us and you resulting from provision of cards is subject to amicable settlement, by means of negotiations.

11.2. We and You are obliged to investigate in detail the grounds for each disagreement and to propose mutually acceptable solution.

11.3. You are entitled to present your property claims to the RA Financial system ombudsman, if the amount of your claim does not exceed AMD 10 million or equivalent foreign currency. Before applying to the financial system ombudsman, you are obliged to present your claim in writing, to the Executive Director of "Converse Bank" CJSC, by indicating the violation of the Bank and presenting substantiation of the violation. Within 10 working days after receiving your claim we will consider your claim and present a final response. Should you not agree with the response, you have the right to apply to the financial ombudsman. Please be informed that the Bank has signed an agreement on declining the right to dispute the resolutions of the financial system ombudsman on those claims with total size does not exceed AMD 250,000 (two hundred and fifty thousand) or the equivalent foreign currency and the total amount of the transaction does not exceed AMD 500,000 (Five hundred thousand) .

11.4 All the disputes and disagreements between you and us are solved through negotiations. In case of not arriving at an agreement, both of us arrive at arbitration agreement on the fact, that the solution of all disputes between us, by exception of the subordination of general authority courts, will be presented to the "Financial arbitration" of Union of Banks of Armenia in accordance with the law on "Trade arbitration", UBA Charter of "Financial arbitration" and "Regulation of Financial Arbitration". Be informed, that the staff of arbitrators is created on the basis of "Financial Arbitration Regulation". The language of arbitration suit is Armenian, the place of arbitration is Yerevan. The examination of the dispute will be conducted on the basis of written materials without oral examination. Be informed, that you may be familiarized with the UBA Charter of "Financial Arbitration" and "Regulation of Financial Arbitration" by visiting internet site of UBA: uba.am as well as from the Head Office or branches of the Bank. The dispute is solved according to standards of the RA Substantive Law

## 12. Other conditions

12.1. Per the written agreement between you and us, conditions may be established which will envisage other rules than these Rules. In this case, the additional agreement signed between you and us, will prevail.

12.2. We have the right to pledge as well as transfer all our rights with respect to the Cards to other persons, without your consent. In these instances, we are obliged to indemnify you of all possible damages and expenses.

12.3. These Rules and Tariffs include the provisions established by Converse Bank, which regulate the relationship with respect to provision and servicing of Cards. Nevertheless, ArCa, VISA and other settlement organizations and systems may have specific limits and other rules which also should be preserved by you and the Bank.