
	Converse Bank CJSC	<i>FO 72-03-07-1</i>	
	Rules of Issuance and Use of Cards	<i>Edition 6</i>	<i>1/8</i>

Rules of Issuance and Use of Cards

1. Definitions

- 1.1. **Bank** – Converse Bank CJSC
- 1.2. **Card(s)** – VISA/MasterCard/UnionPay international and ArCa local card(s). The Card is the ownership of the Bank.
- 1.3. **Rules** – Rules for issuance and use of cards.
- 1.4. **PIN-code** – Personal Identification Number (PIN), which is applied to identify the Cardholder in certain transactions.
- 1.5. **Agreement** – Payment Card Issuance and Use Agreement.
- 1.6. **Cardholder** – Any person eligible to use the Card under the Agreement effected with the Bank.
- 1.7. **Accountholder Cardholder** – A party to the Agreement and eligible to use the Card.
- 1.8. **Card Account** – An account opened with the Bank, to which amounts are credited or debited.
- 1.9. **Credit Limit** – Credit line/overdraft (based on specific agreement) issued to the Cardholder, which can be used for card transactions.
- 1.10. **Payment Limit** – Total sum of the card account balance and credit limit, which can be used by the Cardholder.
- 1.11. **Card Transaction/Deal** – Transaction/deal, where the Card is used for making payments for goods and services or withdrawing cash.
- 1.12. **Transaction/Deal Day** – Actual day of conclusion of Card transaction/deal.
- 1.13. **Transaction/Deal Record Date** – Date of record of the transaction/deal on the Cardholder's card account with the Bank, based on submission to the Bank for registration of the transaction/deal by the Card servicing payment/settlement system.
- 1.14. **Point of Sale/Service** – A point of sale of goods/provision of services, including in the internet environment, where the payment can be made with cards.
- 1.15. **ATM** – An automated self-servicing machine for financial transactions in or out of the office.
- 1.16. **Certification** – The Bank's permission or approval for the card transaction/deal.
- 1.17. **Expiration Date** – 24:00 hour of the final day of the period stated on the card.
- 1.18. **Overlimit** – Amount used by the Cardholder in excess of the Payment Limit and the penalty accrued against the same.
- 1.19. **Supplementary Card** – Add-on card of the same payment/settlement system issued under the same Card Account.
- 1.20. **Linked Card** – Add-on card of a different payment/settlement system issued under the same Card Account.
- 1.21. **PRIORITY PASS** – A pass issued to the Cardholder together with the Bank's VISA PLATINUM/VISA INFINITE Card, which provides access to the Cardholder to the VIP zones of the airports.
- 1.22. **Off-line transactions** – Transactions that do not get approvals online.
- 1.23. **Debit Card** – Card to be used for encashment within the limits of the Cardholder's cash, debiting of cash and execution of non-cash transactions with the cash balance on the Cardholder's cash account.
- 1.24. **Credit Card** – Card to be used for encashment within the limits of the Cardholder's cash, debiting of cash and execution of non-cash transactions with the cash balance on the Cardholder's cash account and the credit card/overdraft issued by the Bank.
- 1.25. **Card Blocking** – suspension/banning of online approvals on the Card.
- 1.26. **Card Account Blocking** – blocking of debit/credit transactions in card account.
- 1.27. **3D Secure Password** – One-time password sent by the Bank to the Cardholder with SMS on the mobile number or by email.

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1.28. One-time Password (OTP) – One-time password provided by the Cardholder to the Bank in writing to be sent through SMS on the mobile number, which is used by the Cardholder to create the PIN code and to enable the card. PIN code may be set through the ATM of a bank – a member of the payment system servicing the card, if the ATM is equipped with the relevant hardware/software solutions.

1.29. CVV/CVC Code – a three-digit code on the reverse side of the card.

1.30. Password – the Cardholder identification code, which is used by the Cardholder to receive information about the card and the card account and in cases set by the Bank (do not confuse with the PIN-code of the card)

2. Terms of Issuance and Validity of Card

2.1. The Card remains in force until Expiration Date.

2.2. When the Card is handed over to the Cardholder, the latter has to sign on the signature field on the reverse side of the Card. The absence of signature or its variance from the Cardholder's ID card disclosed by the Cardholder and containing the sample signature thereof shall be deemed a legal ground for refusal to service the Card and for seizure of the Card without compensation.

An envelope is handed over together with the Card, which encloses the Card's PIN-code; PIN-code is used for withdrawal of cash from ATMs and execution of transactions through POS terminals. The Card's PIN-code is printed in one copy and is handed over to the Cardholder in a sealed envelope. The Cardholder bears the responsibility for safekeeping of the Card's PIN-code. Upon the loss of the PIN-code, at the Cardholder's request the Bank reissues a new card with a new PIN-code and charges the fee established under the Tariffs. Upon mistype of the PIN-code for three subsequent times, the Card is automatically blocked and/or can be seized.

The Cardholder may at own discretion change the PIN code on the ATM having the relevant features. To change the PIN code, the Cardholder should enter the current PIN code and the new PIN code. The Bank urges to set a complicated password to the extent possible. The Bank recommends not use subsequent or repeated numbers.

2.3. Once the PIN code is set by the Cardholder, the OTP is sent to the Cardholder with SMS on the mobile number provided by the Cardholder to the Bank in advance when the Cardholder performs the instructions to activate the card on the ATM. The Cardholder should enter the received OTP in the respective field on the ATM, after which the Cardholder may independently set the PIN code. Unless the OTP is received in due time, the Cardholder should immediately inform the Bank.


2.4. When the card is reissued, the Cardholder should set the PIN code based on paragraph 2.3 of the Rules, unless the Cardholder has filed a request for PIN code in advance.

2.5. Before the expiry of the Debit Card, within the final 15 days prior to the Expiration Date the Bank can reissue the Card for an effective period established by the Bank at the particular date, without seeking for the additional approval of the Cardholder, provided that the Cardholder meets the requirements set under the Bank's internal legal acts.

2.6. Unless the Cardholder meets the requirements set under the Bank's internal regulations, and where the Cardholder gives a written notice on refusal form the Card at least 15 days prior to the Expiration Date of the Debit Card, the Card is recognized invalid from the Expiration Date and is to be returned to the Bank within 5 days from the Expiration Date or to be destroyed by the Cardholder, and the Cardholder shall bear the consequences of default. After the Expiration Date, the Cardholder has to return the Card to the Bank or to shred the Card.

2.7. The Pension Card is reissued based on the Cardholder's reissuance request filed under the RA laws.


2.8. The VISA GIFT INSTANT ISSUE cards are not re-issuable.

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- 2.9. The Credit Card is reissued in compliance with the automatic reissuance procedure of Credit Cards accepted by the Bank.
- 2.10. The Cardholder has to take actions to ensure the safety of the Card and to exclude the unauthorized use thereof.

3. Use of Card

- 3.1. Card Account is opened for execution of transactions with Card and Card Account.
- 3.2. Cardholder cannot hand over the Card and the PIN-code to third parties.
- 3.3. It is prohibited to write the PIN code on the card.
- 3.4. The entry of the PIN code is not needed for transactions in the internet environment or cardless transactions and is not required by the payment system, therefore it is prohibited to enter/disclose the PIN code in the internet environment. If entered/disclosed, the Cardholder should promptly stop the transaction, inform the Bank and block the card.
- 3.5. The VISA GIFT INSTANT ISSUE payment card may be used in the internet environment only if 3D Secure is enabled.
- 3.6. It is prohibited to send and receive C2C transfers with VISA GIFT INSTANT ISSUE payment cards.
- 3.7. When using the card the Cardholder should enter the PIN code so that it is not seen by a third party and is not videotaped through any device.
- 3.8. Upon making payment with Card at points of sale and service or withdrawing cash at POS terminal, Cardholder has to sign the receipt after checking the transaction amount. The signature may not be required if the PIN-code or other ID code accepted under the rules of the card payment/settlement system is applied, which is entered when executing the transaction and/or when contactless transaction is executed within the limits set in paragraph 3.9.
- 3.9. The PIN code is not required for transactions below AMD 20,000 (or equivalent FX) made with contactless cards in Armenia. The particular limit may differ in foreign countries based on the limits set by the respective payment systems.
- 3.10. Upon use of Transfer cards (VISA international and ArCa local cards) the funds can be entered onto the Card Account only through fast transfer systems; entries from other accounts or of cash onto the Card is prohibited.
- 3.11. Cardholder can withdraw and enter cash and make payments with the Card within the scope of the Credit Limit at the ATM/POS terminal servicing the Cards of the particular payment/settlement system.
- 3.12. The Bank sets daily limits for the number and amount of cash-out transactions, which may be changed based on the internal regulations of the Bank should the Cardholder file a request with the Bank.
- 3.13. The amount is deemed withdrawn on the day of recording the cash withdrawal from the card account. Depending on the type of POS, the transaction may be recorded within 30 business days at most. The amount is withdrawn from the card immediately and is usually recorded on the card and reflected in the card account statement on the following dates:
- the next business day for transactions in ARCA system,
 - in 2-3 business days for transactions out of ARCA system.
- 3.14. Cardholder can enter cash or non-cash funds to the Card Account in person or through a third party assigned thereby. The funds can also be entered by other methods, such as through other banks, including foreign correspondent banks.
- 3.15. The transfers from the card account and other banks are usually made accessible on the card on the following dates:

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- until 12:30 of the particular business day if the amount is entered or the transfer is received by the Bank by 11:00 of the same business day,
- until 16:30 of the particular business day if the amount is entered or the transfer is received by the Bank at 11:00-15:00 of the same business day,
- until 18:30 of the particular business day if the amount is entered or the transfer is received by the Bank at 15:00-17:00 of the same business day.

3.16. The amount transferred in cash through the terminals of the Bank, as well as the A2C transfer through the Bank's Internet-Bank and Mobile Bank (other than the transfers from card accounts) is usually made accessible on the card during 5 minutes at most (in the absence of technical or software problems at ARCA processing center).

3.17. The Bank disclaims the responsibility for the potential loss of the Cardholder due to a temporary interruption or delay in the availability of funds on the Cardholder's card, or delay in activation. In particular, due to technical or software problems through no fault of the Bank, as well as in the first 3 business days of every month, the transaction amounts may be made available on the card on a later date.

3.18. The cash may also be entered on the card account in the manner set by the payment systems (C2C transfer, e-wallet to card transfer, cash-in to the card through ATM, etc.), in which case the amount may be activated on the card immediately or in the period set for the cash-in method by the payment system. The exchange rates may vary at the point of certification and actual recording of a transaction in a currency other than the currency of the card account. Such transactions are usually recorded in 1-3 business days.

3.19. The charges or double charges from the Customer's card account due to software or communication failures of the Bank, as well as through the fault of the Bank employee are refunded to the Customer's card account in 1 business day after the problem is made known to the Bank.


3.20. The Rules and Tariffs contain provisions regulating the Card issuance and service relationship with the Bank. Nonetheless, ArCa, VISA, MasterCard and UnionPay payment systems may have specific limits and other rules for specific types of transactions with the Card, which should also be followed by the Bank and the Cardholder, and the Bank disclaims the responsibility for the Cardholder's loss incurred due to the failure thereof.

3.21. The Card cannot be used for any illegal action or the related transactions. In the presence of any doubt about the lawfulness of the Card transaction, the Bank may ban the transaction and/or block the Card and/or freeze the account without notifying the Cardholder. Furthermore, the Bank may request additional information and documents from the Cardholder prior to permission of the respective transaction.

3.22. Prior to executing any transaction with the Card in the internet environment, the Cardholder should review the details of purchases, shipping, cancellation of transactions, return of goods and availability of contacts in the particular site.


3.23. To perform a Card transaction/deal through Internet, the Cardholder has to use well-recognized and reliable websites, such as Secure Sockets Layer (SSL) certificate, Verified by Visa security system, MasterCard SecureCode, UnionPay 3-D secure and websites applying other security systems. The Bank disclaims the responsibility for the failure to receive the 3D Secure code and the consequent disruption of the transaction for any technical reason or any reason unrelated to the Bank's activities.

3.24. We recommend refrain from using the ATMs, cash-out and POS terminals and devices that in the Cardholder's judgment are unreliable or suspicious, as well as when additional devices, cables,


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adhesive tapes and other suspicious items are connected to the latter's card reader, keyboard or cash dispensing window.


- 3.25.** When verifying the deals with currency other than the currency of the Card Account, the exchange rates applied at the point of verification and actual record may vary. The exchange rates set by ARCA/VISA/MasterCard/UnionPay payment systems are applied at the point of verification, and the USD exchange rate set by the Bank at the end of the banking day preceding the record of the transaction is applied when recording the transaction. Exceptions are the transactions made with VISA cards in EUR, for which the EUR exchange rate set by the Bank at the end of the banking day preceding the day of recording of the transaction is applied. The Bank disclaims the responsibility for the currency or other risks due to the difference in exchange rates.
- 3.26.** The Cardholder can appeal the Account Statement data within 1 (one) year from the date of generation of the Statement (unless a shorter period is established under the rules of the respective payment system) by completing the form designed by the Bank and attaching thereto all document supporting the appeal. We recommend promptly inform the Bank upon detecting any non-compliance or any unauthorized transaction.
- 3.27.** The Bank will support the refunding of the sum of the appealed transaction on the Cardholder's card account based on the rules of the payment system, however the Cardholder is not relieved of the obligations towards the Bank when the refunding is impossible.
- 3.28.** The conditions, procedures and terms of card transaction appeals are established by the payment systems.
- 3.29.** In response to the appeal, in 90-day period the Bank either recovers the sum of the appealed transaction on the card account or provides a written response to the Cardholder substantiating the impossibility of refund. In specific cases after the Cardholder is duly notified, the written response may be provided or the sum may be recovered beyond 90 days, depending on the rules of the payment system or other unforeseen circumstances.
- 3.30.** The Cardholder has to keep all payment documents relating to the Card transactions until the delivery of the Card Account Statement, to check the transactions stated in the Statement against the actually made expenses and upon inconsistency inform the Bank thereon in the period set in paragraph 3.26 above. The Bank may decline the appeals filed later than the specified date.
- 3.31.** The Card transactions should be executed within the Payment Limit. A penalty is charged for the Overlimit based on the Tariffs and/or the Agreement. In such case the Card can be blocked until the repayment of the debt.
- 3.32.** An Overlimit can generate on the Card depending on the specifics of certain types of transactions (hotel booking, car rent, services used at tourism and recreation centers, etc.), the timing of disclosure of transaction by the servicing bank, software problems, cashbacks/chargebacks made by the service point, offline transactions, the fees set by the Bank, foreign exchange and the like.
- 3.33.** Within 5 (five) days from the date of the Cardholder's written request for termination of the Agreement, the Bank stops servicing the Card subject to repayment of the Cardholder's liabilities to the Bank and the liabilities generated within 45 days from termination of the Card servicing, from the amounts available on the Cardholder's accounts with the Bank. The negative balance on the Card Account is subject to payment within 5 (five) banking days from the date of generation of the negative balance by the Cardholder.
- 3.34.** Upon termination of the Card servicing, the Cardholder continues to bear the liability and responsibility for the payment of the transactions executed before the termination of the Card servicing and/or the handover of the Card to the Bank (destruction).

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- 3.35.** The Bank disclaims responsibility for the failure to service the Card (including the expired Card) at any ATM or POS terminal (including through Internet) or for the direct or indirect loss caused to the Cardholder due to their malfunction.
- 3.36.** The Cardholder has to immediately inform the Bank about any unauthorized use or a threat of such use of the Card (requesting to block the Card) in the manner specified in paragraph 4.1 below. The Bank shall not bear responsibility for the Card transactions concluded before notification of the Bank based on paragraph 4.1 below.
- 3.37.** The Bank disclaims all responsibility for the loss incurred by the Cardholder due to the Card transactions:
- 3.37.1.** executed with chip card by entering the Card's PIN-code;
 - 3.37.2.** executed by reading/entering the Card's magnetic tape and/or the Card's chip and/or the CVV2/CVC2 code on the reverse side of the Card, and receiving online verification from the issuing bank (even if the signature on the transaction receipt varies from the actual signature of the Cardholder). The Bank's responsibility for contactless card transactions is established based on the CBA Board Resolution #300-N at 04.11.2014;
 - 3.37.3.** executed off-line, if they were concluded before the Customer returned the Card to the Bank and/or during the period when the Card was not installed in the international blocking system;
 - 3.37.4.** having 3D Secure certification, as well as online transactions executed in 3D Secure sites but not having 3D Secure certification.
- 3.38.** The Cardholder shall not be responsible for transactions executed off-line while the Card was placed in the international card blocking system.
- 3.39.** The Bank places the Card in the international card blocking system in the presence of a real threat of an unauthorized use of the Card in a foreign country, in which case the Cardholder has to pay the international blocking fee based on the Tariffs irrespective of the fact whether the card was blocked or closed.
- 3.40.** For security reasons, the Bank may ban or restrict the card transactions and block the card in high-risk countries upon multiple incorrect entries of the card details (expiry, CVV2/CVC2 code) in the internet environment.
- 3.41.** For the sake of protection of the Cardholder's interests, in the absence of turnover on the Card Account for 6 (six) months and longer, the Bank can unilaterally block the Card Account and the Card without additionally notifying the Cardholder thereon, which by no means shall limit the Bank's right to charge respective amounts from the Cardholder's account for repayment of the Cardholder's liabilities to the Bank.
- 3.42.** The Bank can on its own initiative block the Card and freeze the Card Account, where:
- 3.42.1.** The Cardholder has overdue liabilities,
 - 3.42.2.** The Cardholder has failed to pay the fees in due time based on the Tariffs,
 - 3.42.3.** The Bank has received a blocking notice from government authorities,
 - 3.42.4.** The Bank has discovered fraudulent transactions due to monitoring,
 - 3.42.5.** In specific cases the Bank may also place the Card in the international blocking system on its own initiative.
- 3.43.** The Bank can unblock the Card and unfreeze the Card Account on its own initiative, where:
- 3.43.1.** The Cardholder has repaid the overdue liabilities,
 - 3.43.2.** The Cardholder has paid the fees based on the Tariffs,
 - 3.43.3.** The Bank has received an unblocking notice from government authorities,

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<p>3.43.4. The Bank has received verbal or written confirmation from the Cardholder denying the fact of fraudulent transactions in response to the findings of the Bank's monitoring relating to alleged fraudulent transactions.</p> <p>3.44. The Cardholder has an option to receive SMS from the Bank on credits and debits to their Card (free of charge for certain types of cards), thus preventing the unauthorized use of the Card to the best extent possible.</p> <p>3.45. Directly after receiving the SMS, the Cardholder has to make sure that the transaction has been concluded with their or their authorized representative's knowledge, instruction or involvement.</p> <p>3.46. The Cardholder has to inform Converse Bank CJSC and Armenian Card CJSC about the unauthorized use of the Card by calling the contacts listed in paragraph 4.1 below and informing the password stated in the Card Request (other than the PIN-code).</p> <p>3.47. Upon receiving the information about the unauthorized use, the Card is urgently blocked, and based on the Cardholder's request the Bank studies the details of the transaction and if required starts the appealing process.</p> <p>3.48. The fees for access to VIP zones in the airports with PRIORITY PASS are charged unaccepted from the Cardholder's Card Account, without seeking for the Cardholder's additional approval.</p> <p>3.49. Upon the loss/theft of the Card, the Bank is empowered to demand from the Cardholder the amounts paid by the Bank to the international payment/settlement systems for transactions concluded before the Bank was notified.</p> <p>3.50. The Bank may terminate the Cardholder's subscription in case of any doubt and/or failure to receive transaction confirmation 3 times in a row.</p>
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5. Loss of Card

- 4.1. The Cardholder has to immediately inform the Bank about the loss/theft of the Card to have the latter unblocked, by calling the phone number stated on the Card, or:
- 4.1.1. Converse Bank CJSC
✓ 9:00-22:00 (+37410) 511-210, 511-211,
✓ 24-hour (+37410) 545 514
Once the verbal request is received and the Cardholder is identified, the Card is blocked;
- 4.1.2. Armenian Card CJSC: (+37410) 592-222, at non banking days and hours;
- 4.1.3. By sending the relevant written message through Fax (+37410) 511-212 or email card@conversebank.am or filing a written request with any branch of the Bank.
Furthermore, the Bank shall be deemed duly notified by the Cardholder by means listed herein from the date of receiving by the Cardholder of the Bank's confirmation of the Cardholder's message.
- 4.2. Where after blocking the Cardholder finds the Card, the Cardholder has to urgently inform the Bank thereon within 1 (one) banking day at latest. To unblock the Card, the Cardholder can call the Bank's contacts listed in paragraph 4.1.1 above or send the relevant written message based on paragraph 4.1.3 above.
The validity of the Card can be restored subject to charging the unblocking fees based on the Tariffs.

6. Communication between the Cardholder and the Bank

- 6.1. Delivery of documents between the Bank and the Cardholder (including the notices to the Cardholder about amendments to the Agreement, Rules and Tariffs and the Card Account Statements issued to the Cardholder) is provided in the manner specified by the Cardholder in the Card Request.
- 6.2. Where the Bank and the Cardholder communicate via regular mail, the Bank does not bear responsibility for the delay of documents or the disclosure of confidential information.
- 6.3. The Bank may record the verbal communication between the Bank and the Cardholder, including the phone conversations, for which the Cardholder gives their unconditional consent. The records serve a proof for settlement of potential disputes.

7. Supplementary / Linked Card

- 7.1. Based on the request filed by the accountholder Cardholder, the Bank can issue one or several Supplementary/Linked Cards under the name of persons pre-assigned by the accountholder Cardholder subject to disclosure of authentic information to the Bank about the Supplementary/Linked Cardholders.
- 7.2. Supplementary/Linked Card may be used only by the person under whose name it has been issued.
- 7.3. The accountholder Cardholder has to introduce the Rules and the Agreement to the Supplementary/Linked Cardholders.
- 7.4. The Rules cover the Supplementary/Linked Cards.
- 7.5. The amounts of all transactions concluded with Supplementary/Linked Cards are charged from the Card Account.
- 7.6. Upon closure of the Card, the Supplementary/Linked Cards are also closed.
- 7.7. The accountholder Cardholder bears the responsibility for all transactions, including the Overlimit made by the Supplementary/Linked Cardholder.