

Rules of Issuance and Use of Cards

1. General Provisions

- 1.1. **Bank** – Converse Bank CJSC
- 1.2. **Card(s)** – VISA/MasterCard 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/deals.
- 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/deals.
- 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. **Merchant/Trade point:** point of sale of goods/services, including in the Internet environment, where it is possible to pay for the goods/services by card
- 1.15. **Automatic Teller Machine (hereinafter – ATM):** Automatic self-service device for financial transactions designed for office or outdoor use
- 1.16. **Verification:** The Bank’s permission or approval for a card operation/transaction
- 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/deals** – Transactions/deals 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/deals 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/deals 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 authentication code:** - One-time password provided by the Bank, which the Cardholder receives via SMS or e-mail sent to the cardholder’s mobile number provided to the Bank in advance.
- 1.28. **A one-time password (hereinafter - OTP):** Is a one-time password sent to the cardholder’s mobile number provided to the Bank in advance, one-time password used by the Cardholder to create a card PIN and activate the card. The PIN code can be set through the ATM of the bank participating in the payment and settlement system serving the card, given the ATM is equipped with appropriate technical-software solutions
- 1.29. **CVV/CVC code** – the three-digit code marked on the card’s back.
- 1.30. **Password:** Cardholder identification password, which is used by the Cardholder to receive card and card account information and for other cases as defined by the Bank / do not confuse with the card PIN code/.

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, except for the cases when the PIN code is generated with OTP; PIN-code is used for withdrawal of cash from ATMs and execution of transactions/deals 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/forgetting of the PIN-code, the Cardholder can independently set a new PIN code with OTP or apply to the Bank requesting to reissues the card with a new PIN-code by charging 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 can change the PIN-code at his / her own discretion through the ATM with the appropriate possibility. To change the PIN code, you need to enter the current PIN code and the new PIN code. When setting a new card PIN code by the cardholder, the Bank urges to set a password that is as complicated as possible. It is recommended not to use consecutive or duplicate numbers.

2.3. If the PIN code is set by the Cardholder, the OTP will be sent by a SMS to the mobile phone number provided in advance by the Cardholder to the Bank, while the Cardholder follows the relevant instructions to activate the card through the ATM. The Cardholder shall enter the received OTP in the appropriate field of the ATM, after which the Cardholder can set the PIN code himself. In case of not receiving the OTP within the set period, the Cardholder must immediately inform the Bank:

2.4. In case of reissuance of the card, the Cardholder must independently define his/her PIN code in accordance with clause 2.3 of these Rules, unless the Cardholder has previously submitted an application for a PIN code.

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 legal acts, 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. We do not plan reissuance of VISA GIFT INSTANT ISSUE payment cards.

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/deals with Card and Card Account.

3.2. Cardholder cannot hand over the Card and the PIN-code to third parties.

3.3. It is forbidden to write the PIN code on the card.

3.4. In case of transactions in the Internet environment or without the presence of a card, entering a PIN-code is not required, besides it is not required by any payment system, therefore it is strictly prohibited to enter the PIN-code in the Internet environment or otherwise disclose the PIN-code. In case of entering or disclosing the PIN code, it is necessary to immediately stop the transaction, inform the Bank and block the card.

3.5. The payment card /VISA GIFT INSTANT ISSUE/ is valid in the internet environment only in case of activating the 3D Secure service.

- 3.6. It is not allowed to make and receive card transfers with payment cards /VISA GIFT INSTANT ISSUE/.
- 3.7. When using the card, enter the PIN code so that it is not visible to any third parties and is not recorded by 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/deal and/or the transaction was made on a non-contact basis within the limit specified in clause 3.9.
- 3.9. For transactions up to AMD 20,000 (or equivalent in foreign currency) made with contactless cards in the territory of Armenia, the PIN-code entry is not required. This limit can vary in foreign countries depending on the limits set by the respective payment and settlement systems operating in the given country.
- 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 receive 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 limits the number and maximum amount of cash withdrawal operations/transactions per day, which can be changed in the manner and amount defined by the Bank's internal legal acts in case the cardholder applies to the Bank.
- 3.13. The operation/transaction is considered withdrawn from the card account on the day of registration of operation/transaction. The operation/transaction, depending on the type of trade and service point, can be accounted for up to 30 calendar days. The amount of the operation/transaction is debited from the card immediately, and is credited to the card account, as reflected in the card account statement, as a rule in the following terms:
 - In case of operations/transactions made in ARCA system, the next working day,
 - In case of operations/transactions outside the ARCA system, after 2-3 working days.
- 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. Transfers from a card account and other banks become available to the card, as a rule, in the following time periods:
 - till 12:30p.m. of the particular business day, if the amount has been deposited or the transfer has been received in the Bank before 11:00 a.m. of the same business day,
 - until 04:30 p.m. of the particular business day, if the amount was deposited or the transfer was received in the Bank before 11: 00 a.m.-03: 00 p.m. of the same business day,
 - till 06:30 p.m. of the particular business day, if the amount was deposited or the transfer was received in the Bank before 03: 00-05: 00 p.m. of the same business day:
- 3.16. The amount deposited in cash on the card through the Bank's terminals, as well as the transfer from bank to card account (except for card account transfers) through the Bank's Internet Banking and Mobile Banking systems, usually becomes available within 5 minutes (in case of absence of technical or software problems in ARCA processing center).
- 3.17. The Bank shall not be liable for any possible damages incurred by the Cardholder, which may result in the amount being made available to the Cardholder's card through a temporary break or delay or delayed activation. In particular, due to technical or software problems that were not the fault of the Bank, as well as the first 3 business days of each month, the transaction amounts may become available on the card later than the established time frames.
- 3.18. The funds can also be entered on the Card Account in the manner accepted by the payment/settlement systems (card-to-card transfer, electronic purse-to-card transfer, crediting to card through ATM, etc.), in which case the amount can be activated on the card immediately or in the period designed by the payment/settlement system for the particular option. Upon application of the aforementioned options of crediting to Card Account, the amount is deemed credited at the date of record of the particular crediting transaction. At the moment of verification of deals with currency other than the currency of the Card Account, the exchange rates applied at the moment of verification and actual record may vary. As a rule, such transactions are registered within 1-3 business days.
- 3.19. The overcharged or double-charged amounts resulted due to technical or communication failure of the Bank's programs and also because of the fault of the Bank's employees are refunded to the customer's card account within 1 working day after the issue becomes known to the Bank.

- 3.20. Rules and Tariffs contain provisions regulating the relations referring to the issuance and servicing of Cards. Nonetheless, ArCa, VISA and MasterCard payment/settlement systems can set special limits for conclusion of specific types of Card transactions, and the Bank and the Cardholder have to comply with the same, and the Bank shall not bear responsibility for the Cardholder's loss due to the default.
- 3.21. The Card cannot be used for illegal activity or for transactions/deals arising from the same. Should the Bank have any doubts over the legality of Card transactions/deals, the Bank can decline the transaction/deal, and/or block the Card and/or the account, without notifying the Cardholder. The Bank can also require additional information or documents from the Cardholder before approving the transaction/deal.
- 3.22. Prior to performance of a Card transaction/deal through Internet, the Cardholder has to thoroughly review the terms and conditions of the Internet purchases, shipment, cancellation of transaction/deal, return of goods and the availability of contacts on the website.
- 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 and websites applying other security systems. The Bank is not responsible for any technical or non-operational reasons for not receiving a 3D Security and password as a result of the transaction being disrupted.
- 3.24. It is not recommended to use ATMs, payment and point of sale terminals or other cashing and trading devices that the Cardholder considers unreliable or suspicious, and also if an additional equipment is connected to the card reader, keyboard or cash window such as wires, adhesive tapes and other suspicious items.
- 3.25. At the moment of verification of deals with currency other than the currency of the Card Account, the exchange rates applied at the moment of verification and actual record may vary. The exchange rates established by ARCA/VISA/MasterCard payment/settlement systems are applied at the moment of verification, and the USD exchange rate established at the end of the banking day preceding the record of the transaction/deal by the Bank is applied when taking the record of the transaction/deal. Exclusions make EUR transactions, where the EUR exchange rate established at the end of the banking day preceding the record of the transaction/deal by the Bank is applied when taking the record of the transaction/deal. The Bank disclaims the responsibility for the exchange and other risks.
- 3.26. 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/settlement system) by completing the form designed by the Bank and attaching thereto all document supporting the appeal.
- 3.27. In accordance with the rules of payment and settlement systems, the Bank will assist in the recovery of the amount of the transaction appealed by the Cardholder to the card account, but in case of impossibility to recover the amount, the Cardholder is not released from its obligations to the Bank.
- 3.28. Terms, procedures and deadlines for appealing card transactions are defined by payment and settlement systems.
- 3.29. Within 90 days in response to the appeal, the Bank either restores the amount of the appealed transaction to the card account or provides a written response to the Cardholder, substantiating the impossibility of returning the amount. In certain cases, upon proper notification to the Cardholder, a reply may be provided or the amount may be refunded after 90 days due to payment system rules or other unforeseen circumstances.
- 3.30. Cardholder has to keep all payment documents relating to the Card transactions/deals until the delivery of the Card Account Statement, to check the transactions/deals 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 can decline the appeals filed later than the specified date.
- 3.31. The Card transactions/deals have to be executed within the scope of 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. The 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 servicing bank, software problems, cashbacks/chargebacks made by service point, offline transactions, the fees charged by the Bank, currency exchange transactions, 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 and repays the Cardholder's liabilities to the Bank and the liabilities generated within 45 days from termination of servicing of the Card, 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 liability and responsibility for the payment of those transactions/deals preceding termination of the Card servicing.
- 3.35. The Bank disclaims responsibility for non-servicing of 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) by methods specified in paragraph 4.1 below. The Bank shall not bear responsibility for the Card transactions/deals 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/deals.
 - 3.38. Executed by microprocessor (chip) card with PIN-code entry.
 - 3.38.1. 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 liability referring to transactions with contactless cards is defined under the procedure established by the Decision No. 300-N of the Board of the Central Bank of Armenia dated 04.11.2014.
 - 3.38.2. Offline, if they were made before the customer returned the Card to the Bank or during the period when it was not installed in the international blocking system
 - 3.38.3. For 3D Secure certified transactions, as well as for online transactions on 3D Security sites but not 3D Secured. or transactions that have not been certified on 3D Security sites but have not been certified.
 - 3.39. The Cardholder is not responsible for offline transactions or transactions that took place during the period when the card was placed in the international blocking system.
 - 3.40. 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.
 - 3.41. For security reasons, the Bank may prohibit or restrict card transactions in the most risky countries, if the card details or card expiration date, CVV2 / CVC2 code is incorrectly entered several times in the Internet.
 - 3.42. 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.
 - 3.43. The Bank can on its own initiative block the Card and the Card Account, where:
 - 3.43.1. Cardholder has overdue liabilities
 - 3.43.2. Cardholder has failed to pay in time the fees based on the Tariffs
 - 3.43.3. The Bank has received a blocking notice from government authorities
 - 3.43.4. The Bank has discovered fraudulent transactions/deals due to monitoring
 - 3.43.5. In specific cases the Bank is also empowered to place the Card in the international blocking system on its own initiative.
 - 3.44. The Bank can unblock the Card and the Card Account on its own initiative, where:
 - 3.44.1. Cardholder has repaid the overdue liabilities
 - 3.44.2. Cardholder has paid the fees based on the Tariffs
 - 3.44.3. The Bank has received an unblocking notice from government authorities
 - 3.44.4. The Bank has received verbal or written confirmation from the Cardholder denying the fact of fraudulent transactions/deals in response to the findings of the Bank's monitoring relating to alleged fraudulent transactions/deals.
 - 3.45. The Bank sends SMS to the Cardholder 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
 - 3.46. Directly after receiving the SMS, the Cardholder has to make sure that the transaction/deal has been concluded with their or their authorized representative's knowledge, instruction or involvement
 - 3.47. 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)

- 3.48. 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/deal and if required commences the appealing process
- 3.49. 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
- 3.50. 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/deals concluded before notification of the Bank.

4. 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.

5. Communication between the Cardholder and the Bank

- 5.1. 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 by the method specified by the Cardholder in the Card Request.
- 5.2. Where the Bank and the Cardholder communicate via the regular mail, the Bank does not bear responsibility for delay of documents or disclosure of confidential information.
- 5.3. The Bank has the right to 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.

6. Supplementary / Linked Card

- 6.1. 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.
- 6.2. Supplementary/Linked Card can be used only by the person under whose name it has been issued.
- 6.3. The accountholder Cardholder has to introduce the Rules and the Agreement to the Supplementary/Linked Cardholders.
- 6.4. The Rules cover the Supplementary/Linked Cards.
- 6.5. The amounts of all transactions/deals concluded with Supplementary/Linked Cards are charged from the Card Account.
- 6.6. Upon closure of the Card, the Supplementary/Linked Cards are also closed.
- 6.7. The accountholder Cardholder bears the responsibility for all transactions/deals, including the Overlimit made by the Supplementary/Linked Cardholder.