

## 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 by the Bank, 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. **Expiration Date** – 24:00 hour of the final day of the period stated on the card.
- 1.15. **Overlimit** – Amount used by the Cardholder in excess of the Payment Limit and the penalty accrued against the same.
- 1.16. **Supplementary Card** – Add-on card of the same payment/settlement system issued under the same Card Account.
- 1.17. **Linked Card** – Add-on card of a different payment/settlement system issued under the same Card Account.
- 1.18. **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.
- 1.19. **Off-line transactions/deals** – Transactions/deals that do not get approvals online.
- 1.20. **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.
- 1.21. **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.
- 1.22. **Card Blocking** – suspension/banning of online approvals on the Card.
- 1.23. **Card Account Blocking** – blocking of debit/credit transactions in card account.

## **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.
- 2.3. 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/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 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.
- 2.4. 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.
- 2.5. 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.
- 2.6. The Pension Card is reissued based on the Cardholder's reissuance request filed under the RA laws.
- 2.7. The Credit Card is reissued in compliance with the automatic reissuance procedure of Credit Cards accepted by the Bank.
- 2.8. 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. 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.
- 3.4. 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.
- 3.5. 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.
- 3.6. 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.
- 3.7. 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.

- 3.8. 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.
- 3.9. 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.
- 3.10. 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.
- 3.11. 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.
- 3.12. 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.
- 3.13. 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.
- 3.14. 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 3.13 above. The Bank can decline the appeals filed later than the specified date.
- 3.15. 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.
- 3.16. 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.

- 3.17. 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.
- 3.18. 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.
- 3.19. 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.
- 3.20. 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.
- 3.21. The Bank disclaims all responsibility for the loss incurred by the Cardholder due to the Card transactions/deals:
  - 3.21.1. Executed by chip card with entering the PIN-code;
  - 3.21.2. 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);
  - 3.21.3. Executed off-line, if they were concluded before placement of the Card in the international card blocking system;
  - 3.21.4. Having 3D Secure certification, and executed in websites providing 3D Secure system but not having 3D Secure certification.
- 3.22. The Cardholder shall not be responsible for transactions/deals executed off-line executed while the Card was placed in the international card blocking system.
- 3.23. 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.
- 3.24. 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.
- 3.25. The Bank can on its own initiative block the Card and the Card Account, where:
  - 3.25.1. Cardholder has overdue liabilities,
  - 3.25.2. Cardholder has failed to pay in time the fees based on the Tariffs,
  - 3.25.3. The Bank has received a blocking notice from government authorities,
  - 3.25.4. The Bank has discovered fraudulent transactions/deals due to monitoring,
  - 3.25.5. In specific cases the Bank is also empowered to place the Card in the international blocking system on its own initiative.
- 3.26. The Bank can unblock the Card and the Card Account on its own initiative, where:
  - 3.26.1. Cardholder has repaid the overdue liabilities,

- 3.26.2. Cardholder has paid the fees based on the Tariffs,
- 3.26.3. The Bank has received an unblocking notice from government authorities,
- 3.26.4. 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.
- 3.27. 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.
- 3.28. 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.
- 3.29. 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).
- 3.30. 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.
- 3.31. 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.
- 3.32. 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](mailto: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.