

GENERAL CONDITIONS FOR ISSUING AND USING PAYMENT CARDS OF ADRIATIC BANK AD PODGORICA

Introduction

General conditions for issuing and using payment cards (hereinafter: General conditions) are legal basis for business operations with payment cards of Adriatic Bank AD Podgorica (hereinafter: Bank). General conditions determine obligatory basis for Users and Bank concerning conditions for issuing, receiving, using and cancellation of payment cards.

General conditions for issuing and usage of the cards are applied to the relation between Bank and User of the card, which are based on contracts on usage of the cards and have legal power of the contract. Bank does not take over the obligations and responsibilities unless those which are regulated by these General conditions or if not agreed otherwise. Bank may change General conditions in accordance with Business policy of the Bank and valid legal regulations. General conditions are applied along with provisions of other acts of Bank's business policy.

Definitions

Bank - Issuer of General conditions is Adriatic Bank AD Podgorica, Bulevar Džordža Vašingtona 98, 81000 Podgorica, PIB: 03087158, email: cards@adriaticbank.com, SWIFT: AZMNMEPG, web page: www.adriaticbank.com, Contact number: +382 20 680 970.

General conditions - General conditions for issuing and using payment cards.

Card organization - Visa Inc.

Payment card - instrument or bank's product in ownership of the Bank by which User has possibility of disposal with funds which are on the account (hereinafter: card). It serves for payment of goods and services as well as for cash withdrawal. Card can be debit and credit.

Request for issuing payment card - written (adopted form of the Bank) or electronic (request submitted by software, web page under Bank's authorization) request for issuing the card submitted by potential User of the card.

Account - account on which all financial transactions which occur by using the main or additional cards are shown. All transactions are evidenced on card account with belonging commissions, fees and interest calculated in accordance with valid tariffs of the Bank. Account may be credit and debit.

User of the card - physical person who accepted General conditions and to whom Bank issued Card, and whose name is sealed on the Card (here in after: User)

Main card - Card at which Card user and Card owner is the same person. Legal entities do not have bearer of main card.

Additional card - Card which is issued on the request of User of main card, i.e. on request of the owner of account that card is connected to, and on the name of User of additional card. All costs of fees, interests, transactions and belonging commissions occurring by using of additional card, are burdened by account of main User i.e. owner of the account. Number of additional cards is not limited. Legal entities have only bearers of additional cards.

Debit card - is card which user might use for payment of goods and services or cash withdrawal up to the amount of available funds on account. All financial transactions are evidenced on account which occur by using main or additional cards, including belonging fees, about which client is informed via statement. Every payment by debit card implies automatic decrease of available amount on the account. Card is intended for usage in the country and abroad.

Credit card - is card which can be used for payment of goods and services or cash withdrawal up to the available amount on the credit account. On credit account there are all financial transactions which occur by using main or additional cards, including prescribed fees and interests, about which client is informed via regular monthly statement. Every payment with credit card implies automatic decrease of available amount of funds on credit account. Card is intended for being used in the country and abroad.

PIN (Personal Identification Number) -personal identification number is secret number known exclusively to the Card user and it serves for automatization of transaction. User can change his PIN on ATM of the Bank. In case that User has more cards, recommendation is that PIN should not be the same for every card.

Personalized security elements of the card - elements of the Card needed for realization of transaction without physical presence of the Card (purchase via internet, catalogue or phone sale). Main elements are number of card of 16 numerals (PAN), validity date of the card, CVV

/CVC number of 3 numerals printed on a back of the document.

Minimal amount for payment – monthly amount of due obligations according to credit account. Calculation of minimal amount depends on contracted minimal percentage for return of spent funds, mature obligations per transactions on instalments, fee and interests for using the funds for approved credit limit.

Available saldo – amount of cash funds on the account which are on disposal to the main and additional User of the card decreased for the amount of active reservations.

Credit Limit – maximum allowed amount of the loan which Bank approves according to credit account of the user (revolving, charge and instalment credit card). Bank keeps the right to approve lower limit than is determined in the Request for card issuing.

Limits of consumptions and transactions – maximum amount of consumption and number of transactions for defined period (day, month...). From security reasons, Bank limits maximal amount of consumption and number of transaction. Limits are possible to be changed on the request of User.

Calculation period – period for which Bank makes cut per account and calculates mature obligations, fees and interests and creates monthly statement according to the Card. Monthly statement is created on first working day for previous month.

Foreign exchange list in Visa system – payment of goods and services as well as cash withdrawal with payment cards in regions in which main currency is not euro, Bank will burden or approve account according to VISA currency rate on the day of transaction processing in VISA payment system, increased for conversion fee which is determined for this job by pricelist of the Bank.

Monthly statement – overview of monthly transactions with accompanying fees, commissions, and clearly defined interest for calculation period. In monthly statement for credit cards, it is indicated available amount, balance of total debt, due date for settlement of the debt. All data in the statement are obligatory for the user. Together with monthly statement, Bank can send also other data of informative character, as well as advertising material. Monthly statement can be submitted to the client via e-mail, on the personal address or directly at the teller. In case of sending the statement by post, Bank does not bear the responsibility for consequences occurred by late arrival of the statement.

Due date for settlement of due debt – date until which User must pay minimal monthly amount for given calculation period. Due date for payment of debt is indicated in the Contract on issuing and usage of credit card. In case that client does not pay due obligations within deadline stipulated by Contract, Bank shall calculate penalty interest to the User for amount of due unpaid obligations.

Transaction – represents any card payment of goods and services as well as cash withdrawal.

Validity date of the card – date inscribed on the very card which represents time until when card can be used. Card can be used with last day in the month which is stated on the Card. Card whose deadline has expired, cannot be used.

Renewal (reissuing) – issuing of new Card after the expiry of validity date of the previously issued card.

Sale point – legal or physical entity which performs registered activity of sale of goods and services and accepts the card as the means of payment.

Cash advance – cash withdrawal on tellers POS terminals.

ATM – self serviced device for cash payment, checking the balance on the card, payment of bills, change of PIN, cash payment.

EFTPOS – device installed on sale point or on bank's teller, which serves for electronic execution of transactions.

Verification number of card (CVV2 Visa International) – is security number which is placed on the back of the card and which is used upon internet payment. Security code consists of three numerals.

Turnover card – overview which contains all changes per account.

Reservation – card transaction for which Bank still has not received financial confirmation. Reservation decreases the amount of available money and is not registered on account of User.

MO/TO transactions – transaction of payment goods and services for whose execution is necessary to deliver card data on the place of sale, via e-mail or (Mail Order, Telephone Order).

OTP (one time password) – is one -off secret password which is delivered to the Card user by SMS message or electronic post in order to be additionally identified during internet payments and it is valid only for transaction for which is generated. It is characteristic for 3D secure authorization of the e-commerce transactions.

Authorization – approval of the Card user for execution of payment transaction. User gives approval for execution of payment transaction by:

- a) Signing the confirmation on transaction (slip);
- b) Entering PIN;

- c) Reporting of CVV2 number and other personalized security elements of the Card which Sale point asks for card acceptance;
- d) Using the Card on the sale point, on the devices which serve for execution of card transactions;

Issuance of the Card

Card is issued by the Bank according to the User's request. Bank is obliged to issue card to the Card user as well as additional cards in accordance with his request. Requests for card issuing can be submitted by full age person. Exception from this rule are users of account (age from 14 to 18) who can submit request for issuing the Card with presence of parents or guardian who is at the same time authorized person on account.

Decision on issuing the Card is passed by the Bank and Bank does not have obligation to explain the decision. Criteria about card issuance are prescribed by the bank according to the internal acts. Upon passing the decision, Bank can ask for additional data and documentation, and to perform their checking. Bank is obliged that all data related to Card user will keep as secret and confidential in accordance with legal regulations.

Documentation for card issuing consists from following:

- a) Contract on issuing and using the card,
- b) General conditions for issuing and using of payment cards,
- c) Overview of the conditions for card usage (price list).
- d) Request

Bank is obliged to ensure that User receives at least one copy of the contract.

Bank is obliged to, before concluding the Contract, provide all information about services of cards usage to the potential client.

Bank is owner of all issued cards and on its request, each card must be unconditionally returned.

In case that User does not take over the card within 45 days from the day of creation the card, Bank is allowed to destroy the card.

Bank is obliged to evidence every day all transactions and changes on accounts which occurred by using the card.

User is obliged to take over the card personally. In case that he is prevented to take the card personally, it can be taken over from the person who has authorization verified by the respective body. Upon taking over the card, user signs it the same way as on personal document, on the back

of the card which is predicted for signature. Card which is not signed is considered to be invalid, and User bears all financial consequences in case of the misuse of unsigned Card.

User is delivered PIN together with the card. User should keep PIN in secrecy. It is very important that PIN is not written on the very Card nor on some other document which is being kept with the Card.

User of the card is obliged to, immediately after receiving the card, take all reasonable measures for protection of the card and personalized security elements of the card from the loss, theft and unauthorized usage. Card can be used exclusively by the person on whose name is issued.

In case of issuing additional payment card, confirmation about taking over additional card are integral part of the contract by which his user confirms that General conditions are delivered, that he is introduced with and that they are completely acceptable to him.

User of the main Card is obliged for all obligations arisen from basis of using additional cards.

User gives right to the Bank to be informed by SMS about changes on card account which occurred by using the Cards. This service which is provided by the Bank is at the same time safety measure in case of attempt of any kind of card misuse. User is accordant that Bank has right that data about user of main and additional cards and which refer to the address, phone numbers, fax, e-mail addresses and other data for establishing contact with clients uses in order to submit information about due obligations, its activities, products and services, in forms of flyers, prospects, electronic messages as well as other means of business communication and presentation.

By taking over the card and its usage, there are legal consequences of contractual relation arisen by signing the Request and Contract. Card is ownership of the Bank and on Bank's request, User is obliged to give it back immediately.

User of the card is obliged, along with submitted evidence, to announce every change of home address, phone number, employment, business activities, or some other elements which might influence to the card usage and credit approved by the Bank. Client is irrevocably and unconditionally accordant that, if he does not act in accordance with in advance taken obligation, he will bear all eventual costs which bank may have for the aim of acquiring such data. Being informed about changes of interest rates, fees, commissions by the Bank via legally defined channels of communication, and by their unacceptance, User is obliged to request cancellation of the contract for usage of payment card two months from the announcement of new conditions until their

appliance, with payment of all obligations. In contrary, it will be considered that user accepted new conditions.

Usage of the Cards

User is authorized to use the Card as payment instrument on Sales points in country and abroad.

Card can be used for payment of cash on the ATM's, payment points of sale in country and abroad on which card is accepted as the means of cash payment and which are specifically indicated for such purpose.

User of the main Card is responsible for all costs made by usage of the main card as well as those occurred by usage of the additional cards. Users of additional cards have all rights which have User of main card from the basis of contract.

User of the card is obliged to keep Card and PIN secrecy from unauthorized access, theft, and irregular usage, and is specially obliged to respect the following security measures upon keeping and using Cards and PIN:

- a) User must carefully keep the Card and in every moment be aware where it is situated;
- b) Card must be signed by the User;
- c) Card must not be given to another person for usage;
- d) Before transaction authorization, it should be checked amount of transaction;
- e) Upon payment of the bills, card should not be without monitoring;
- f) PIN number should be memorized and keep separately from the Card;
- g) PIN must be kept in secrecy and it must not be revealed to third persons;
- h) When entering PIN number on ATM or POS terminal, it should keep privacy ;
- i) Number of unsuccessful PIN attempts is limited to three. Upon third wrong entering, Bank blocks the Card for further usage. For new activation of the card, User must address to the Bank.
- j) User must have in mind that purchase without presence of the Card is risky (sale via catalogue, phone order, purchase via Internet)
- k) User must not leave the Card as a pledge, or means of collateral.

User must respect the request for taking the Card if sale point or other bank require this on Bank's request.

User is obliged that, on tradesman's request, show identification document on the sales point. Usage of the Card is not allowed for purchase of goods and services of inappropriate content as well as psychoactive substances, neither for

another illegal activities which are opposite to the valid legal regulation and rules of card organizations.

User of the card, upon payment of goods and provided services, on POS terminal authorizes transaction by entering PIN. For executed payment via POS terminal on which is not requested entering of PIN, authorization of transaction by the Card user is done by signing the slip/account printed on EFTPOS. It is necessary that User signs slip/account of transaction on the same way as he signed on the back of the Card.

When taking the cash or payment of cash on account, User of the card authorizes transaction by entering PIN. Number of wrong PIN entering is limited to three, after which card remains in ATM. Obligation of PIN entering, as system of transaction authorization by the Card user, is obligatory also when taking the money on the teller terminal. Authorization of the transaction by the Card user on the teller additionally can be done by signing the slip/account printed on EFTPOS. It is necessary that User signs slip/account of transaction on the same way as he signed on the back of the card.

For payments on the web pages, authorization of transaction by the User of the card is done by entering of personalized security cards elements.

MOTO transactions are authorized without presence of the Card, but with obligatory authorization letter by the Card user, by which tradesman is authorized to collect exact amount from the card, using personalized security elements of the card.

When making an online payment, the user must provide the merchant with the following information: first and last name of the card user, card number, expiration date, CVV2 code. After confirming the entered data, an additional type of 3D secure authorization is required. The cardholder receives an SMS otp code to the phone number registered in the Bank, which additionally confirms the transaction, after which it goes to the final authorization. 3D Secure authentication is mandatory when making online payments, except in cases where the online merchant does not require 3D secure authorization. If the user does not have a registered phone number for this service at the Bank, and the online merchant requires 3D secure authorization, the transaction will not be successful and the user must contact the Bank. Upon transactions, for amounts lower than 50€, PIN entering for authorization of the transaction is not needed for cards which support contactless technology nor is requested signature on the slip/account of transaction.

User of the card is obliged to regularly pay all obligations arisen by using the card, as well as to pay all fees and costs defined by valid Pricelist

of the Bank. In case that from any reason there are excession of available funds, exceeded amount shall be immediately due for collection. All due and unpaid obligations which occurred by using the Card, Bank may collect from any account which User has in Bank without previous notification.

Complaints about transactions

The Cardholder is obliged to keep the copy of the slip/receipt for possible contesting of the transaction. The Cardholder undertakes to take a copy of the slip (evidence of the transaction made) when purchasing goods or services, and when it comes to MOTO transactions, to preserve the data on confirmation of the transaction made.

If within thirty days after the transaction, the Cardholder is not notified through his/her bank statement about the transaction made, the Cardholder shall promptly inform the Bank. The Bank reserves the right to debit the Cardholder's account after knowledge about the transaction made regardless the date of the transaction.

The Bank shall be responsible for initiating and conducting the contest proceeding related to the transactions via cards. Deadline for filing the complaint shall be 8 weeks from currency of account debiting of the Cardholder. The Bank shall not accept the delayed complaints, and possible related financial loss shall be borne by the Cardholder. In case of ungrounded complaint, the Bank shall charge the Cardholder in accordance with the Bank's Price List.

Contesting the transaction effected via the Card shall not relieve the Cardholder from obligation to pay for the transaction. In case that the Bank, in the procedure of resolving the complaint, determines that the disputed transaction has not been authenticated and authorized, the Bank shall refund the amount of such transaction plus accrued interest and possible charges.

In the complaint procedure, the Bank shall check whether the payment transaction has been authorized, authenticated, properly administrated and registered, and whether its execution has been affected by any technical failure or other defects. If the Bank determines that the transaction has been authorized, authenticated and properly executed, the Bank shall present before the Cardholder the evidences on authorization and correctly performed transaction. The payment transaction shall be considered authenticated if the Bank by applying appropriate procedures has checked the provided data and approved

use of the Card inclusive of personalized security elements of the Card.

The Bank shall not take any responsibility for the quality of goods and/or services paid by the Card. All complaints related to the quality of the goods and/or services, the Cardholder must resolve directly with the merchant. Regardless the dispute between the Cardholder and the point of sale, the Cardholder shall be pay the full amount of debt related to the subject transaction. All complaints related to legal and material deficiencies of the goods/services purchased shall be resolved by the Cardholder directly at the point of sale, in conformity with the applicable regulations.

The Cardholder shall settle both the regular and default interests, calculated by the date of completion of the complaint proceeding. The Bank shall not be obliged to pay the passive interest on the amount of complained transaction to the Cardholder.

The bank shall not be responsible for any abuses of the Card in ATMs or POS terminals where entry of PIN is not obligatory. The Bank shall not be responsible if a point of sale rejects to accept the Card with VISA marks, or if due to technical problems or misuse of POS terminals and ATMs the transaction has failed.

In no case shall the Bank assume liability for consequences that may arise from the use of cards for card-not-present purchasing, such as catalogue sales, telephone orders and purchases via Internet. The Cardholder shall be responsible for any transactions authorized by abusing the cards and personalized security elements of the cards due to failure to undertake all reasonable measures for protection of them. The Bank's liability is excluded in cases when the disputed transaction has not been authorized by the Bank. Complaints shall be deemed to be unjustified if they occurred as a result of the use of cards contrary to the General Terms and Conditions.

The Cardholder shall not bear losses resulted from unapproved transactions that have been effected after the Cardholder informed the Bank about the loss, steal or abuse of the personalized security elements of the card and/or the very card, unless such events resulted from fraudulent practices of the Cardholder himself.

Acting in case of damage, theft or loss of the card

In case of card's damage, User informs Bank on the teller and submits request for issuing new card.

In case of loss/theft of the Card, User is obliged to immediately inform Contact centre of the Bank on following number +382 20 680 970or inform the closest branch in order to prevent misuse.

If User suspects that his card is stolen, User announces the theft to the Police Administration.

Bank is obliged to block the card after receiving information about loss/theft. All eventual financial loss occurred by transactions in case of losing /stealing the card until the moment of informing the Bank is taken by the User.

Time of notification is considered to be time of calling Contact centre or time of notification on the Bank's teller. New card may be issued to the user, if he wants it. Issuing of new card also implies payment of costs of its creation in accordance with valid Price list.

If User of the card after notification about loss finds his card, he is not allowed to use it but he is obliged to inform the bank about it and submit it to the nearest branch. In contrary, he will take all legal responsibility for unauthorized usage.

Card renewal/re-issue

The Card shall be renewed in the month of expiry that is embossed in the card. The Client shall be entitled to use the Card until the last day of the month embossed in the Card. The Bank shall reissue the Card with 3 year validity period.

Thirty days prior to expiry of the Card, the Cardholder shall notify the Bank of its wish to use the Card in future, otherwise the Parties shall agree the Bank re-issue the Card and debit the client for manufacturing of the Card in accordance with the Price List. In case that the Cardholder fails to take over the Card within 45 days from the day of issue/re-issue, the Bank is entitled to cancel the Card and collect fees and charges for personalization of the Card in accordance with the Price List.

The Cardholder shall return to the Bank the card the validity period of which has expired. The card the validity period of which has expired shall not be used. When taking-over the renewed-reissued Card, the Cardholder shall pay the fee for re-issuing of the card, in line with the applicable Price List of the Bank. Re-issuance of debit cards shall be done by default for all Cardholders who have had at least one successful transaction during the latest 60 days. Re-issuance of debit cards is based on rules of the Bank that are defined in the Agreement and internal acts. Renewal/re-issue or replacement of the Card may be refused by the Bank at any time. Any liabilities arisen prior to rejection of renewal/re-issue or replacement of the Card shall remain into force until settlement. In case of expiry of primary Credit card and failure to comply with terms and conditions for re-issue of the Card.

Fees

The Cardholder shall, depending on type of the Card issued by the Bank, pay fees and costs defined by the Bank's Price List. Applicable fees to be borne by the Cardholder are specified in written form and available to the Cardholder both in the operational net of the Bank and other distributive channels of the Bank (on the Bank's webpage, Bank's Contact Centre). Amount of fees and costs shall be expressed as absolute amount or as percentage to transaction amount. According to the method of calculation, the fees may be one-time, against service provided and periodical (monthly, annual), for continuous provision of services. The Bank may define minimum and maximum amount of the fees.

Amount of calculated fees and costs shall be presented in the monthly bank statement for Card and summary of turnover for account related to the card.

Cancellation of card use

By returning the card, its validity shall expire. The Cardholder may, at any time, and not later than 30 days before the expiry of the card, return the card to the Bank. The Card shall cease to be valid also when the Bank refuses the renewal - reissuing or replacement. The Bank reserves the right to cancel further use of the card to the Cardholder permanently or just in a particular case, at its own discretion and without prior notification. The Bank reserves the right to cancel further use of the card to the Cardholder and declare it invalid if the Cardholder did not use the Card (had no transactions) and failed to settle his/her obligations related to card maintenance in the period of minimum three months from the issue. When cancelling the Card, the Cardholder's contractual obligations regarding the operation of the Card shall remain in effect until settlement.

Additional Card may be cancelled upon request of the Cardholder or Cardholder of the primary Card. In case that the additional Card is shut down upon the request of Cardholder of primary Card, the Bank shall not be obliged to inform the Holder of additional Card. Cardholder of additional Card shall be entitled to cancel the use of the Card at any time, without prior consent of Cardholder of primary Card and not later than 30 days prior to expiry of the Card. The Card shall be returned to the Bank.

In case the death of the Cardholder is reported, the Card shall cease to be valid, and in case of death of the primary Cardholder, all the additional Cards shall cease to be valid, as well. If the Cardholder fails to settle his obligations within the specified period of time, the Bank will ban further use of the Card, activate security



means i.e. initiate the forced collection proceedings before the competent court. When returning the Card, the Cardholder shall settle any costs incurred to the day of returning the Card to the Bank. The costs shall include any transactions with related commissions, interest rates, charges or membership fees as well as costs of shutting down the Card in accordance with the Price List. The Card, use of which has been cancelled upon request of the Bank or Cardholder, shall be immediately return to the Bank and annulled.

Amendments to the General Terms and Conditions for Issuance and Use of Cards

The General Terms and Conditions for Issuance and Use of Cards shall make integral part of the Agreement on Issuance and Use of Cards and shall have the force of the Agreement. By signing the Agreement, the Cardholder shall accept all provisions of General Terms and Conditions and agree with them fully aware. Provisions of the General Conditions are related to Cardholders of primary and additional cards. The Bank is entitled to make changes to the General Terms and Conditions, and shall notify accordingly the Cardholder within due dates and via stipulated means of informing.

The Cardholder is not entitled to reimbursement in case of modified contents of card services. Amendments to the General Terms and Conditions for Issuance and Use of Cards shall become binding for the Cardholder from the moment of entry into force, i.e. expiry of 60 (sixty) days from day when they were published by virtue of information channels defined by the law. The General Terms and Conditions shall be deemed to be accepted by the Cardholder if no written objections against any amendments to General Terms and Conditions for Issuance and Use of Cards have been submitted to the Bank by the moment of entry into force.

Closing Provisions

The General Terms and Conditions are published on the Bank's website and available in every Branch of the Bank. The disputes shall be resolved amicably; otherwise the competence shall be of the Court of the Bank's Headquarters. General Terms and Conditions for Issuance and Use of Cards are approved by the Bank's Management Board and shall be effective from 12.12.2022.