

GENERAL TERMS OF PRIVREDNA BANKA ZAGREB D.D. FOR THE ISSUANCE AND USE OF DEBIT CARDS FOR BUSINESS ENTITIES

1. Definitions

- **General Terms** – General Terms of Privredna banka Zagreb d.d. for the Issuance and Use of Debit Cards for Business Entities;
- **Bank** – Privredna banka Zagreb d.d., Zagreb, Radnička cesta 50, Taxpayer ID No. i.e. TIN (OIB): 02535697732, a credit institution and payment service provider, the owner and issuer of a card of a certain brand with regard to which the Bank has established a contractual relationship, in accordance with these General Terms, [the Bank being] entered in the register of the Commercial Court in Zagreb under the number: 080002817, IBAN: 64 23400091 0000 0001 3, website www.pbz.hr. The Bank performs its business activities on the basis of the operating licence issued by the Croatian National Bank.
- **Card** – an internationally valid bank card, as a payment instrument issued by the Bank to the Applicant, with a payment card brand mark being imprinted on it in any form, and which, as an instrument, enables the authorised Card User i.e. Cardholder to pay for goods and/or services either through a point of sale and/or a remote channel and/or to withdraw and/or deposit cash and/or to use other services at an ATM or another device, and/or transfer funds and credit an account.
A card is the property of the Bank and shall not be transferrable. For the purposes of the application of these General Terms, a card shall be deemed to be i.e. shall mean also a replacement card of the same card brand issued as a replacement for a lost, stolen or damaged card or in the case of a change of relevant data (one's first and/or last name) and/or other occurred circumstances relating to the Card User/Cardholder.
- **Request/Application Form** – a pre-printed request for the issuance of a business card, the signing of which by the authorised representative of the Applicant and by the Card User/Cardholder shall have the effect of agreeing on the issuance of a business card of a certain card brand, of accepting the General Terms of Privredna banka Zagreb d.d. for the Issuance and Use of Debit Cards for Business Entities as well as of the General Operating Terms of Privredna banka Zagreb d.d. for Transaction Accounts and Performance of Payment and Other Services for Non-Consumers, and of determining the spending limit applicable to the Card User/Cardholder in question;
- **Spending limit** – the amount which a card user/cardholder is allowed to use on a daily basis in the country and abroad for cash withdrawals and payments for goods and services up to the permitted limit and also depending on the funds available in the Applicant's transaction account;
- **Applicant** – a legal entity or a private individual operating within his/her line of business or profession, which/who may have the status of a resident or non-resident as defined by the General Operating Terms of Privredna banka Zagreb d.d. for Transaction Accounts and Performance of Payment and Other Services for Non-Consumers, which/who holds an active transaction account at the Bank, which/who has entered into an agreement with the Bank on the issuance and use of a business card on the basis of signing the Request/Application Form and accepting the General Terms, and whose Request the Bank has accepted and has issued a card on which the Applicant's abbreviated name is printed;
- **Card User i.e. Cardholder** – a private individual authorised by the Applicant to use the card, who has signed the Request/Application form and in whose name the card has been issued;
- **Internet point of sale** – a point of sale connected to the Internet, which accepts a card as a cashless means of payment being made exclusively via the Internet;
- **PIN** – a secret personal identification number of the Card User/Cardholder assigned to him/her by the Bank, known only to the Card User/Cardholder and strictly confidential, which is used for identification of the Card User/Cardholder and for authorisation of such transactions that require identification and authorisation by a PIN;
- **Settlement account** – the Applicant's transaction account at the Bank in euros;
- **Points of sale** – legal entities and private individuals that accept a Card as the cashless means of payment when selling their goods and/or services;
- **Information on card transactions** – a written notice to the Applicant about performed card transactions which the Bank delivers through a regular transaction account statement showing the transaction account balance and movements; such notice is available to the Applicant also via other distribution channels;
- **Transaction account** – account used for executing payment and other transactions, in which recorded are cash incoming and outgoing payments and balance in euros and foreign currency, based on the Contract on the opening and managing of transaction account and performance of payment and other services concluded between the User and the Bank. Users may open a transaction account with the Bank, in euros or foreign currency, reporting their name;
- **Notice of card charges** – card charges/fees are included in a regular monthly invoice for fees charged for payment transactions in the transaction account;
- **POS device** (point of sale terminal) – an electronic device used for the execution of transactions of payment for goods and/or services or cash withdrawals; depending on the system, it may require authorisation by one's PIN, signature, by bringing the card or another payment instrument closer to the device [contactless transaction] whose functionality supports this;
- **Contactless payment** – a payment transaction initiated by bringing a card that has a contactless payment functionality closer to a POS device. In accordance with card payment scheme rules, authorisation is done by bringing the card closer to the device, and, depending on the payment transaction amount as well as the functionalities of the relevant POS device, also by entering a PIN. At a point of sale that supports contactless payments, a Card User/Cardholder may choose whether he/she wishes to use the card exclusively for making card contact payments through a POS device, of which he/she shall be obliged to inform the point of sale in advance.
- **Card payment scheme** – a set of functions, procedures, actions, rules and devices that enable a cardholder to have his/her payment transaction carried out and/or conduct account crediting transactions and/or to withdraw cash from/at the Bank as a payment service provider;
- **Payment brand** – a material or digital name, term, mark, symbol or a combination thereof, which makes it possible to identify a card payment scheme for the execution of a payment transaction on the basis of the [used] card;
- **Cash (coin) deposit machine** [i.e. coin deposit ATM] – an electronic device designed to enable depositing of coins into transaction accounts in euros, at which transactions are carried out by using a card and upon identification of the Card User/Cardholder in an adequate way required by the relevant device itself;
- **Personalised security credentials** – personalised features provided by the Bank to the Card User/Cardholder for the purposes of authentication and authorisation, which may be data on a card and data attached to a card, which enable the card issuer to identify persons that have been authorised by the issuer to use that card, in particular, each of the following pieces of data taken individually or jointly: first and last name of the Card User/Cardholder, card number, control number shown/written on the back or on the front of a card, validity date of a card, PIN, the Card User's/Cardholder's signature on the card and one time password generated for the Cardholder at the moment of payment confirmation at authorisation/authentication devices supplied to the Cardholder by the Bank at their/his/her request;

- **Reserved funds** – an amount of funds provisioned in the transaction account on the basis of a payment transaction for which the Card User/Cardholder has given consent in the name and for the account of the Applicant and the Bank has carried out the process of authentication, by which [amount] the Bank shall decrease or increase the account balance or funds available in the transaction account until the date when the transaction account is to be debited or credited with the amount of the mentioned payment transaction, i.e. until the date of deletion of the reserved amount upon expiry of the time limit defined in accordance with the rules of the card payment scheme. In the case of reservation of funds in the transaction account being made on the basis of a payment transaction carried out by using a card or a payment instrument based on a card in foreign currency, the conversion of the original currency of the transaction into the local currency shall be carried out by the owner i.e. holder of the payment brand licence in accordance with the conversion rules and at the exchange rate applied by the licence holder at the moment of sending data on the relevant payment transaction for the purposes of authentication by the Bank;
- **Authentication** – a procedure which makes it possible for the Bank to verify the identity of a Card User/Cardholder or the validity of the use of a specific payment instrument, including the use of the personalised security credentials of the User/Cardholder. If an authentication is based on the use of two or more elements categorised as knowledge (something that only the Card User/Cardholder knows), possession (something that only the Card User/Cardholder owns) and inherence (something the Card User/Cardholder is [particularity and distinctiveness attributable only to the Cardholder]) that are independent of each other, it shall then be deemed a strong authentication;
- **Authorisation** – a procedure of confirming the will of the Card User/Cardholder, on behalf and for the account of the Applicant, for the purpose of giving consent to the execution of a payment order. By means of authorisation, the Card User/Cardholder accepts the terms and conditions presented to him/her prior to authorisation. The methods of authorisation are defined in these General Terms;
- **ATM** – an electronic device designed to enable the execution of payment transactions of withdrawing and depositing cash, and the checking of the balance of the user's transaction account, as well as to make available the use of other services provided for by the Bank through this device;
- **3-D Secure** – a standard procedure for the verification of the Cardholder's/User's authenticity in the system of Internet transactions (online purchase) according to the standards prescribed by the global Mastercard and VISA systems. The Card User shall make the authentication by entering a one-time password generated through the authorisation/authentication device.

These General terms shall apply to the card functionalities related to contactless payments once the technological requirements are met.

2. Card issuance

A card may be issued solely at the request of an Applicant, which/who may be a legal entity or a private individual operating within his/her line of business or profession, which/who may have the status of a resident or non-resident as defined by the General Operating Terms of Privredna banka Zagreb d.d. for Transaction Accounts and Performance of Payment and Other Services for Non-Consumers, which/who holds an active transaction account at the Bank, and which/whom the Bank considers to have met the conditions for card issuance.

A Request for card issuance shall be submitted, in the name and for the account of the Applicant [legal entity], by the Applicant's authorised representative, and when submitted in the name and for the account of a private individual operating within his/her line of business or profession, it shall be submitted by the craft owner/the person in whose name a craft/business is registered or by the manager of a craft or by another private individual on the basis of a special power of attorney.

The Applicant shall deliver a completed and signed Request/Application Form to the Bank's branch office/regional branch/division or through other distribution channels, of which the Bank shall inform the Applicant. By signing the Request/Application Form, the Applicant and the Card User/Cardholder accept these General Terms. An Agreement on the issuance and use of a debit card for business entities shall be deemed concluded upon acceptance [by the Bank] of the Applicant's Request/Application Form signed by the Applicant and the Card User/Cardholder, notification of the Applicant that the request has been accepted, the issuance of an active card and its pick-up by the Card User/Cardholder at the Bank or its delivery to the home address of the Card User/Cardholder, i.e. upon the issuance of an inactive card and its delivery to the home address of the Card User/Cardholder or upon its pick-up by the Card User/Cardholder at the Bank. An inactive card may be activated in the manner described on the card carrier. From the moment of activation of a [previously] inactive card, the Card User/Cardholder may start using the card. The Card User/Cardholder shall be obliged to notify the Applicant of his/her pick-up of the card, and the Applicant agrees to being notified of this. The Applicant agrees that these General Terms and the Request/Application Form shall form an integral part of the Framework Agreement as a separate agreement on other payment and/or other services in accordance with Article 18 of the General Operating Terms of Privredna banka Zagreb d.d. for Transaction Accounts and Performance of Payment and Other Services for Non-Consumers.

All persons specified in the Request/Application Form confirm by their respective signatures the accuracy of the provided data. The Applicant's authorised representative, by signing it, guarantees the granting of authorisations to the Card Users/Cardholders at one's own risk. The Bank, in accordance with the terms of its business policy, reserves the right to refuse a Request/Application Form, i.e. it shall make a decision on approval or refusal to issue/renew a card, without being under the obligation to provide an explanation for its decision to the Applicant.

The Applicant referred to in this item may submit a request for issuance of new cards to the employees of a legal entity or to private individuals performing a registered business activity, or to other private individuals [i.e. natural persons] as designated by the Applicant in the Request/Application Form.

The person to whom a card has been issued shall be obliged to sign it immediately upon receipt. Otherwise, he/she shall assume full responsibility for any damage that might result from the use of the card by an unauthorised person.

Each issued card, along with the name of the Applicant, shall bear the first and last name of the Card User/Cardholder on it; it shall not be transferrable and shall have a 4-year validity period, upon expiry of which it shall be automatically re-issued and valid for the next 4-year period.

The decision on card issuance and the amount of the approved spending limit shall be made by the Bank, without any obligation to provide an explanation for its decision to the Applicant.

3. Approval of the spending limit

The spending limit is the total daily amount the Card User/Cardholder is allowed to use, as specified in the Request/Application Form, depending on the funds available in the Applicant's transaction account.

The amount of the approved spending limit, i.e. the approved daily limit for using a card at ATMs and at EFT-POS devices shall be subject to change and it may be subsequently reduced or increased in accordance with a written request of the authorised person of the Applicant, within the limit permitted by the Bank. The Card User/Cardholder may use the card only up to the approved spending limit.

4. Use of a card

The user of a card to whom the card has been issued in his/her name may use the card exclusively to purchase goods and/or services at points of sale in the country and abroad, to withdraw cash at ATMs and POS CA (POS cash advance) devices in the country and abroad and also to deposit cash at cash deposit ATMs as well as at coin deposit machines that all display a mark of accepting cards of a certain payment card brand with which the Bank has a contractual relationship, in accordance with the funds available in the Applicant's transaction account and the spending limit approved by the Bank. The transaction account may be open by virtue of the Card.

The Applicant and the Card User/Cardholder undertake that they shall use the card for business purposes only.

Each use of a card shall be regarded, for the purposes of the application of Regulation (EU) 2015/751 of the European Parliament and of the Council of 29 April 2015 on interchange fees for card-based payment transactions, as the use of a card for the Applicant's business purposes. A card must not be used in such a way nor for such purposes that are not in conformity with regulations, including purchases of goods or services that are forbidden on the territory of the countries in which the relevant card is used.

The Applicant and the Card User/Cardholder shall be fully responsible for adherence to all regulations and rules that may be applied to the use of a card, including - but not limited to - the rules applicable to commercial activities, import or export of goods or services, tax regulations, foreign exchange regulations as well as regulations that govern the attachment of funds [in accounts].

The Card User/Cardholder shall be obliged to use the card in accordance with the provisions of these General Terms.

The Card User/Cardholder shall be obliged, in particular:

- to sign the card immediately upon its receipt;
- to take all reasonable measures to protect personalised security features of the card;
- not to provide any personalised security feature of the card, except in the case of uses of the card in accordance with these General Terms;
- not to enable/allow third parties to make unauthorised use of a card i.e. of its personalised security feature and/or a user name or a password under which the card has been registered for making payments on an Internet point of sale;
- prior to providing security features on an Internet point of sale, one should check the authenticity and security features of the web pages of Internet points of sale on which he/she intends to use the card;
- to avoid using the card and its security features on any unauthenticated websites as well as on computers that are publicly available;
- to carry out internet transactions only via the computer or other devices that have adequate anti-virus protection and protection against malware installed on them;
- to check regularly if they have the card in their possession and to retake the card after each use;
- not to lose sight of the card, to ensure that any handling of the card at a point of sale involves the Card User's/Cardholder's constant presence and is done under his/her control, to ensure that an employee at a point of sale – if the card must be handed to him/her – handles the card exclusively in front of the Card User/Cardholder;
- not to provide one's personal data nor data on the card (card number, validity date/period, other security features such as, for example, control number, etc.) on unauthenticated web browsers, in telephone conversations with unknown or unverified persons, or in answers to unverified messages received by e-mail;
- to take every measure in order to prevent a PIN to become available to third parties; not to disclose a PIN under any circumstances to other persons, which also includes family members, the Bank, its employees, the police and judicial bodies;
- to keep cards always in a safe place, protected from mechanical damage and magnetic fields (of mobile phones, remote controls, loudspeakers).

Any other way of using the card as well as the use of the card by a person whose name is not printed on the card shall be regarded as misuse and shall result in revocation of the right to use the card and/or cancellation of this contractual relationship by the Bank. The loss of legal capacity of the Card User/Cardholder, failure to report any change of data, non-fulfilment of obligations under these General Terms shall result in revocation of the right to use the card and/or cancellation of this contractual relationship by the Bank.

It is not permitted to use the card in order to conclude fictitious contracts, usurious contracts, as security for debt repayment, for the purpose of debt collection, gambling, for purchase of pornographic materials, narcotics, as well as for any other purpose whose nature and objective ran counter to the morals and the existing legislation of the Republic of Croatia. Any use of the card for the above-mentioned purposes shall be regarded as misuse of the card and shall result in revocation of the right to use the card and/or cancellation of this contractual relationship by the Bank. A card may be used only by the person whose name is printed on the card, until expiry of the card validity period indicated on the card.

In the event of a card being lost, stolen or damaged, or in the event of any change of the relevant data or of other circumstances, the Bank shall issue a replacement card with a new PIN.

When using the card via means of distance communication, including its use for purchases made at internet points of sale, the Card User/Cardholder shall use the card at his/her own risk, and the Applicant and the Card User/Cardholder shall assume liability for any for any damage that may arise when performing such transactions.

With transactions that require identification of a Card User/Cardholder by his/her signature, the Card User/Cardholder shall be obliged to sign the transaction receipt in the same way as he/she signed the card and shall be required to keep a copy of the transaction receipt for his/her own records purposes.

In the case of transactions which require identification by a PIN, a Card User/Cardholder shall be identified by his/her PIN. A Card User/Cardholder shall be obliged to take all necessary measures not to make a PIN accessible to third persons, taking care that no written record of a PIN can be brought into connection with the card he/she has been using. For security reasons, a Card User/Cardholder shall be obliged to immediately destroy the received notice of the assigned PIN.

The Applicant and the Card User/Cardholder shall be obliged to take all reasonable measures to protect the personalised security features of a card.

The Applicant and the Card User/Cardholder accept identification by a PIN as the sole and unambiguous confirmation of the Card User's/Cardholder's identity and the performed transaction. Any damage caused by the misuse of a card and a PIN shall be borne by the Applicant.

In order to protect the interest of the Applicant, the Bank reserves the right to exclude the possibility of a card being used in certain countries and at certain acceptance points in the country and abroad, i.e. on the internet when, according to the Bank's professional judgment, the security standards required for card operations have not been in place.

The Bank shall, by using the available reliable channels and means of communication, notify the Applicant in the event of any suspected fraud or actual fraud or a threat to the security of a payment instrument, as well as of the intention to block and of reasons for blocking a card, whenever possible, prior to blocking the concerned card, i.e. immediately after having blocked the card, unless the giving of such notice would run counter to objectively justifiable security reasons or legal provisions.

5. Consent (authorisation) and revocation of authorisation for execution of a payment transaction

A payment transaction initiated by the Card User/Cardholder on behalf of the Applicant shall be considered authorised by the Applicant if the Card User/Cardholder gave consent (authorisation) for the execution of that payment transaction in the following way:

- by inserting the card into or bringing it closer to a POS device at a point of sale for the purpose of purchasing goods and/or services and by entering a PIN into/via a POS device, or by signing a slip generated by a POS device;
- by inserting the card into or bringing it closer to an ATM and entering a PIN at that ATM;
- by inserting the card into or bringing it closer to a POS CA device at a CA point, in order to withdraw cash and by entering a PIN into a POS device, or by signing a transaction slip generated by a POS device;
- by entering the data from the card, including personalised security features required at an internet point of sale, i.e. by entering one's user name and/or password under which the Card User's/Cardholder's card has been registered as a means of payment for internet purchases;
- by inserting the card into or bringing it closer to the euro coin deposit machine (coin deposit ATM) and/or other device i.e. by manipulating the card in the manner which enables authorisation as required by the device;
- at certain points of sale for payment of tolls or parking fees at which the payment service provider of the payee has defined [enabled], in accordance with the existing regulations, initiation of electronic transactions without the Card User's/Cardholder's signature or without entering a PIN. The Applicant/Card User shall give consent for the execution of such transactions by inserting the card or another payment instrument into or bringing them closer to a POS device or to an unattended POS device.

The method of giving consent for payment transactions initiated in a way that has not been defined by these General terms shall be regulated by a contract/agreement and any potentially required special terms and conditions for a particular additional service.

The Bank, as a payment service provider and the issuer of a payment instrument, shall be obliged, when electronic payment transactions are initiated and in the case of remote access of the Applicant to the account, to apply i.e. to demand the application of strong authentication, except in cases where exceptions are allowed under the currently valid regulations, depending on the transaction amount, the number of the total amount of successive transactions, the payee in question, or other criteria stipulated by the currently valid regulations. In cases where it is allowed, based on the prescribed criteria, not to apply or not to demand the application of strong authentication, the very fact that it is not demanded or applied does not imply automatically that a transaction has not been authorised in the agreed way.

It shall be deemed that the executed payment transaction has been authorised and that the Bank has exercised due care until the Applicant proves otherwise. The Applicant/Card User cannot revoke the execution of a payment transaction (payment order) after it has been authorised.

The Bank shall be authorised to refuse the execution of a payment order initiated by using a card if the card has been used contrary to these General Terms; if the execution of a payment transaction, depending on the card type, could result in exceeding of the approved spending limit; in the case of the suspected unauthorised use of a card or the use of a card with the intention to commit fraud; in the case of the use of a card contrary to mandatory rules i.e. regulations; in the case of the use of a card at acceptance points which do not comply with the standards for card operations.

In the case of receipt of an incorrect order, the Bank shall, in the same way in which the order was received, within time limits prescribed by law, inform the Applicant of order rejection, of the reasons for order rejection, as well as of: a) the procedure for correcting all errors that have caused the order to be rejected, or b) the inability to correct the errors if the order is incorrect pursuant to Article 8, par. 1, item c) of the General Operating Terms of Privredna banka Zagreb d.d. for Transaction Accounts and Performance of Payment and Other Services for Non-Consumers.

If the service of currency conversion is offered at an ATM, at a point of sale or is offered by the payee (the so-called Dynamic Currency Conversion -DCC), the service provider offering such a service shall be obliged to disclose to the Card User/Cardholder all fees and the exchange rate to be applied to the currency conversion prior to the payment transaction initiation. The Bank as the card issuer shall not be liable for the said service nor does it have any influence on the exchange rate and/or the fees offered by the provider of the mentioned service, nor on compliance of such an offer with the existing regulations.

After receiving a payment order for cash withdrawal at an ATM or for the payment at a POS, which is expressed in any European Union currency other than the currency of the Applicant's account, the Bank shall not send electronic messages for each issued card linked to said account about the total currency conversion charges as a percentage mark-up [margin] with respect to the latest available euro foreign exchange reference rates issued by the European Central Bank (ECB). The Bank shall not send messages every month in which it receives the payment order expressed in the same currency from the Applicant. Given that the aforesaid electronic messages shall not be sent, a channel for their transmission shall not be defined nor an option therefore offered to the Applicant to disable the option of receiving the aforesaid electronic messages.¹

The Applicant/Card User both agree that if, within the framework of the existing contractual relationship, a new card is issued to the Card User for any reason -bearing the same old or a new number, the issuing of such new card shall not interrupt the continuity of the contractual relationship and shall not affect any future maturing of previously incurred costs arising from that contractual relationship, nor shall it affect any direct debits previously agreed for the purpose of collection of costs arising from that contractual relationship.

The Applicant shall independently agree with an internet point of sale the type, method and conditions of using its services as well as the conversion rate that may be applied to payments. The Bank shall not be liable for the terms and conditions of the use of services agreed by the Applicant/Card User with an internet point of sale nor their provision, nor for the fees arising therefrom.

6. Receipt and execution of payment orders

The time of receipt of a payment order is the moment at which a Card user/Cardholder gave consent for the execution of a payment transaction i.e. the Bank conducted the process of authentication.

The Bank shall execute the received order on condition that it has received from the payee's payment service provider a debit order. The Bank shall execute the received order in accordance with the terms and conditions of the relevant card payment scheme, but not later than 30 days from receipt of such a debit order.

7. Unauthorised payment transactions

The Applicant shall be obliged to inform the Bank of an unauthorised and/or defective execution of a payment transaction immediately after becoming aware of it, not later than within 60 days from the date of debiting i.e. crediting of its transaction account, or it shall risk the loss of the right to return (of funds) and other rights prescribed by law. The moment of learning, i.e. becoming aware, of an unauthorised transaction shall be deemed to be the date when the Bank delivered i.e. made available in the agreed manner a Transaction Account Statement, in which such a transaction was or must have been recorded.

The Bank shall promptly, and not later than by the end of the first business day after having received the notification of the Applicant, revoke the card debiting where the revoked amount shall be equal to the amount of the unauthorised transaction, plus the related interest and fees.

Notwithstanding the provisions of paragraphs above, the Applicant as the payer shall be liable for the execution of an unauthorised payment transaction, irrespective of the amount involved, if the execution has been the consequence of the use of a lost or stolen card or the consequence of another misuse of a card or if it has been the consequence of deliberate non-fulfilment of one or more obligations referred to in item 4. of these General Terms or non-fulfilment of those obligations due to gross negligence.

For the purposes of the application of these General Terms, the following circumstances shall, in particular, be regarded as gross negligence: leaving a card on a visible spot, or in unlocked premises, not signing a card, writing down a PIN close to a card, in the wallet or on a mobile device as well as making available a card or its photocopy (photograph) to third parties, leaving a card at an ATM after completing a withdrawal/deposit transaction.

The Applicant shall not be liable for unauthorised payment transactions:

- if the Applicant has been unable to detect the loss, theft or misuse of a card before the execution of an unauthorised payment transaction;
- if unauthorised payment transactions are the consequence of an action or omission of an employee, representative or a branch of the Bank or an entity to which its activities have been outsourced;
- if the Bank has not provided adequate means i.e. mechanisms for around-the-clock notification of the loss, theft or misuse of a card, or of its unauthorised use;
- if the Bank as the payer's payment service provider does not demand or the payee's payment service provider does not apply the requested strong customer authentication;
- [shall not be liable] for unauthorised payment transactions executed after the Applicant has reported it in accordance with Article 12 of these General Terms, unless the Applicant acted with the intention to commit fraud.

8. Complaints and objections

Any complaints related to (card) expenses/transactions, including a complaint that the Bank does not comply with the provisions of a Framework Agreement or with legal provisions regulating this service, Regulation (EC) no. 924, Regulation (EU) no. 260/212 or Regulation (EU) 2015/751 should be submitted in writing to the organisational unit of the Bank responsible for handling complaints (its name and contact details can be found on the website of the Bank) or to the organisational unit responsible for managing the business relationship with the relevant Applicant or via the Call Centre of the Bank (valid telephone numbers are displayed on the website of the Bank) or to the valid e-mail address of the Bank for complaints of Applicants, displayed on the website of the Bank, or to PBZ Card d.o.o. – Customer Services Division, or through other distribution channels, of which the Bank shall inform the Card User/ Applicant via statements, by electronic mail, by phone or in person.

The Bank shall provide a final reply to all objections stated in a complaint no later than within the time limit prescribed by the Payment System Act (currently, the prescribed time limit is no later than within 10 days from receipt of a complaint), on paper or using another durable medium. Exceptionally, if the Bank cannot provide an answer within the stated time limit for reasons which are beyond control of the Bank, the Applicant shall within the mentioned time limit be provided with a provisional reply, stating the reasons for a delay in replying to the complaint as well as the time period within which the Applicant shall receive a final reply, which must not be longer than thirty-five days.

The Applicant may submit a complaint against the Bank to the Croatian National Bank in accordance with the provisions of the Payment System Act.

For the purpose of resolving a complaint, the Card User/Applicant shall enclose [with the complaint] all documents related to the complaint, specifying the transaction identification number (reference), the amount and the value date when the Transaction Account was debited. Filing of a complaint regarding an expense incurred by using the card shall not release the Applicant from the obligation to pay for that expense, but the Applicant shall be entitled to a refund of the paid amount if it is established that the complaint was justified.

The Bank shall not assume liability for goods and services purchased with the card, the validity of provided information, or refusal by a point of sale to accept the card. The Card User/Applicant shall resolve any complaints related to the quality of purchased goods and services in communication with a relevant point of sale. For an unjustified complaint, the Bank shall charge the Applicant the cost of handling the complaint in accordance with the Bank's internal regulations.

9. Settlement of card obligations

All card expenses shall be debited from the euro transaction account of the Applicant, including any card expenses incurred abroad, irrespective of their currency.

In the case of cash withdrawal expenses incurred abroad, the Bank shall debit the euro transaction account by applying the Bank's selling exchange rate for cash and in the case of expenses incurred at points of sale abroad, the Bank shall debit the euro transaction account by applying the Bank's selling exchange rate for foreign currency transfers. The applied exchange rates shall be the Bank's exchange rates valid as of the date of recording the Card expense in the books.

To the credit transactions in which the original transaction currency is put on the Bank's exchange rate list applied shall be the buying exchange rate for foreign currency from the Bank's exchange rate list on the day when the transaction account is credited.

The Bank's exchange rate list valid as of a particular date is available on the Bank's website and at the Bank's branch offices.

As regards debit transactions, where the original transaction currency is not put on the Bank's exchange rate list, the Visa licence holder shall convert the transaction currency to the euro currency, according to the Visa exchange rate on the transaction processing day in its system, while further conversion shall be made applying the selling rate of exchange for foreign currency from the Bank's exchange rate list.

As to the credit transactions where the original transaction currency is not put on the Bank's exchange rate list, the Visa licence holder shall convert the transaction currency to the euro currency according to the Visa exchange rate on the transaction processing day in its system, while further conversion shall be made applying the buying rate of exchange for foreign currency from the Bank's exchange rate list.

10. Membership fee and other fees

No fee shall be charged by the Bank for issuance of the first card linked to the transaction account, while the membership fee shall be charged for each next card.

The level of fees and other charges is prescribed by the Bank's Decision on fees in transactions with domestic and foreign business entities, individuals and financial institutions (hereinafter: the Decision on fees).

No fee shall be charged for the payment of goods and services at the Bank's EFT – POS devices, while for the withdrawal of cash at the Bank's ATMs and cash advances at POS devices the Bank shall charge a fee as prescribed by the Decision on fees.

For cash advances at ATMs and EFT - POS devices of other banks, the Bank shall charge a fee as prescribed by the Decision on fees.

On any overdue unpaid obligations owed under this contractual relationship, to the extent provided for by applicable regulations, the Bank shall calculate and charge, for the period for which the payment is overdue, statutory default interest at the rate stipulated for relationships governed by trade agreement relations, which [rate] is subject to change in accordance with relevant regulations.

¹ As per Article 1 Item 4 of the Regulation (EU) 2019/518 amending Regulation (EC) No 924/2009 as regards certain charges on cross-border payments in the Union and currency conversion charges, it shall be contracted that provisions of Article 3, paragraphs 5 and 6 of the Regulation (EC)no. 924/2009 shall not fully apply.

11. Reporting

The Bank shall inform the Applicant of the amount of expenses/transactions in writing, by means of a Transaction Account Statement or via another contracted distribution channel.

All data provided i.e. specified in the statement and in other written notices of the Bank shall be binding on the Applicant/Card User.

The Applicant and/or the Card User shall be required to notify the Bank in writing, no later than within 8 days from the date when a change occurred, of any changes in personal data of the Card User (first name, last name, address), as well as of changes in financial data related to the Applicant which may affect timely fulfilment of obligations incurred by using the card. Otherwise, the Bank shall be entitled to deny the Applicant the use of the card; whereas in that case the Applicant's obligations incurred by using the card are not extinguished and the Applicant shall be obliged to settle all such obligations as well as any additional costs the Bank has had.

The Applicant shall be obliged to notify the Bank in writing of any change of the company name, head office specified in the Request/Application Form, as well as any change of the address for correspondence, for delivery of statements. Otherwise, all statements that have been sent to the Applicant to the specified address(es), as well as all letters and PIN notices, shall be regarded as received by the Applicant i.e. by the Card User/Cardholder.

12. Loss or theft of a card

The Applicant or the Card User shall be obliged to report immediately any loss or theft of a card, in writing, to the Bank's branch office/branch (names and contact details are available on the Bank's website) or to the address of PBZ Card d.o.o., 10000 Zagreb, Radnička cesta 44, Contact Centre.

Any damage i.e. costs caused by misuse of a lost or stolen card shall be borne by the Applicant, until the time of the Bank's receipt of a written report of the card being lost or stolen.

If the Card User finds the card after it has been reported missing, he/she must not use it, but must cut it vertically across the middle and return it to the Bank. Any expenses incurred by using the found invalid card shall be borne by the Applicant.

On the basis of a written report of the theft or loss of a card by the Applicant or the Card User, the Bank shall block the card and automatically start the procedure of issuing a new card with a new PIN.

The costs of issuing a new card and a new PIN shall be borne by the Applicant.

The Applicant and the Card User/Cardholder shall bear full financial and criminal liability for any unauthorised and improper use of the card.

The Applicant shall be obliged to inform the Bank if he/she/it considers that the Card User/Cardholder has been using the card without the Applicant's consent.

The Applicant shall bear full responsibility for and shall pay for any damage resulting from possible unauthorised use of the card issued at the Applicant's request.

13. Duration and termination of a contractual relationship, termination of the right to use a card

This contractual relationship related to a particular card shall be concluded and shall remain in force for an indefinite time, regardless of the card validity period, and it shall be terminated:

- if cancelled by the Bank or by the Applicant, in the manner and in accordance with the time limits and conditions provided for in these General Terms and in the General Operating Terms of Privredna banka Zagreb d.d. for Transaction Accounts and Performance of Payment and Other Services for Non-Consumers;
- by mutually agreed termination;
- upon the demise of the Applicant);
- upon the passing away of a Card User/Cardholder, in relation to the issued card of the deceased Card User/Cardholder - unless the Card User is (was) at the same time the authorised representative of the Applicant or a private individual operating within his/her line of business or profession, in which case the contractual relation shall be terminated in relation to the Applicant;
- on the basis of laws and regulations, on the basis of a court decision or a decision of another relevant body;
- upon expiry of the time period for which it has been concluded, if it has been agreed that it shall remain in force for a specified time period.

The Applicant and the Bank may at any time, by mutual consent, terminate the agreement in writing, where termination shall be effective immediately. Each contracting party may cancel this contractual relationship in writing, at any time, without any explanation, subject to a notice period of 30 days counted from the date when the cancellation notice, which is to be sent by registered mail, has been handed over to a legal entity which, pursuant to the currently valid regulations, is authorised to engage in collection, transport and delivery of registered mail. The notice of cancellation shall be delivered to the most recent address provided by the Applicant to the Bank.

If the Applicant and/or the Card User/Cardholder do not comply with any provision of these General Terms/or for reasons stipulated in the General Operating Terms of Privredna banka Zagreb d.d. for Transaction Accounts and Performance of Payment and Other Services for Non-Consumers, the Bank shall be entitled to cancel this contractual relationship without any notice period. The (notice of) cancellation of this contractual relationship referred to in this paragraph the Bank shall deliver to the Applicant in writing. The cancellation shall become effective as of the date when the notice of cancellation, which is to be sent by registered mail, has been handed over to a legal entity which, pursuant to the currently valid regulations, is authorised to collect, transport and deliver the registered mail [service of process agent]. The notice of cancellation shall be delivered to the most recent address provided by the Applicant to the Bank.

The cancellation of this contractual relationship shall not mean the cancellation of a Framework Agreement. In the event of cancellation of the Framework Agreement pursuant to any item of this paragraph, the Bank may declare its claims, based on the Framework Agreement, immediately due and payable before their maturity, as of the date of cancellation, and may recover said claims by debiting the Applicant's transaction account or other accounts held by the Applicant at the Bank.

In the event of cancellation of this contractual relationship, the Applicant shall be required to immediately return the card at the Bank's request. The Bank may block the use of the card in conformity with the provisions of the General Operating Terms of Privredna banka Zagreb d.d. for Transaction Accounts and Performance of Payment and Other Services for Non-Consumers and in conformity with effective regulations. The Applicant agrees that, in the event of cancellation of this contractual relationship or termination of the right to use the card, the obligations incurred by use of the card until the date of cancellation/date of termination of the right to use the card shall not be extinguished and the Applicant undertakes to settle all the obligations that have been incurred by use of the card.

14. Card renewal

Each issued card shall bear the name [of the Card User i.e. Cardholder], shall not be transferrable and shall have the validity period indicated on the front of the card. The card shall be valid until the last day of the month indicated on the card. The Bank may, in order to improve card security mechanisms, implement new technologies, ensure compliance with regulatory requirements or for other justifiable reasons, replace a card even before expiry of the indicated validity period, of which it shall give prior notice to the Applicant/Card User.

Prior to the expiry of the validity period of the current card, the Applicant shall authorise the Bank to issue a new card, with a new validity period. The card shall be renewed in this way until the Applicant cancels its use in writing and notifies the Bank that the Applicant no longer wishes to use the card, or until the Bank revokes or terminates the use of the card or cancels this contractual relationship.

The Card User i.e. Cardholder must not, under any circumstances, use the card that has expired or has been cancelled for any reason.

15. Modification of the General Terms

The Bank reserves the right to amend these General Terms. Any amendments to the General Terms shall be made available to the Applicant in writing or via telecommunication/electronic channels 15 days before entry into force of the new General Terms or other internal regulations of the Bank that are referred to in these General Terms. It shall be deemed that the Applicant has accepted the amended terms unless the Applicant has notified the Bank in writing, before the date of their entry into force, of non-acceptance of the mentioned terms.

If the Applicant does not accept the amendments to the General Terms, then the Applicant shall be required to cut the card and return it immediately to the Bank, while sending a written notice of non-acceptance of the amended General Terms and of the cancellation of this contractual relationship.

16. Acceptance of the general terms & jurisdiction

By signing the Request/Application Form, the Applicant/Card User accepts the General Terms of Privredna banka Zagreb d.d. for the Issuance and Use of Debit Cards for Business Entities and the General Operating Terms of Privredna banka Zagreb d.d. for Transaction Accounts and Performance of Payment and Other Services for Non-Consumers.

The provisions of the General Operating Terms of Privredna banka Zagreb d.d. for Transaction Accounts and Performance of Payment and Other Services for Non-Consumers shall apply to any issue not regulated by these General Terms, and this contractual relationship shall, together with other documents, constitute a Framework Agreement as stipulated by the General Operating Terms of Privredna banka Zagreb d.d. for Transaction Accounts and Performance of Payment and Other Services for Non-Consumers.

In the event of any discrepancy between the provisions of these General Terms and the General Operating Terms of Privredna banka Zagreb d.d. for Transaction Accounts and Performance of Payment and Other Services for Non-Consumers, these General Terms shall prevail.

The Applicant/Card User accepts that the Bank shall be entitled to set and change the maximum amount of the approved spending limit in euros.

By signing the Request/Application Form, the Applicant/Card User declares that he/she has been informed about the General Terms of Privredna banka Zagreb d.d. for the Issuance and Use of Debit Cards for Business Entities, the Bank's Decision on fees, the General Operating Terms of Privredna banka Zagreb d.d. for Transaction Accounts and Performance of Payment and Other Services for Non-Consumers, as well as about other general operating terms of the Bank.

By signing the Request/Application Form, the Applicant confirms that, before the conclusion of the agreement, the Bank has provided to the Applicant all prior information related to these General Terms, and that the Applicant has been fully informed thereof.

This contractual relationship and the General Terms shall be governed by the laws of the Republic of Croatia, excluding the conflict-of-law rules.

These General Terms shall apply also to the issued VISA Business Electron debit cards, which shall be valid until 31 May 2024, as well as to other cards of the payment card brand with which the Bank has a contractual relationship.

The language to be used for maintenance of this contractual relationship and for communication between the Bank and the Applicant/Card User shall be Croatian, unless agreed otherwise by the Bank and the Applicant.

In the event of a dispute, the Applicant/Card User hereby accepts the jurisdiction of the competent court in Zagreb.

17. Entry into force

These General Terms shall enter into force on 1 January 2023.

As of the effective date of these General Terms, the General Terms of Privredna banka Zagreb d.d. for the Issuance and Use of a Visa Business Electron Debit Card dated 15 June 2021 shall cease to apply.