

RULES OF ISSUANCE AND USE OF DIGITAL CARD OF KOMERCIJALNA BANKA AD BEOGRAD

I GENERAL PROVISIONS

The User of Visa Electron digital card (hereinafter: KOMePay card) can be a person who in addition to having opened a dinar account with Komerčijalna Banka AD Beograd (hereinafter: Bank), is also registered for mBank service in the Bank and has a mobile device that:

1. Functions on Android OS (version 4.4 or more advanced) and
2. Has NFC technology with payment option.

The users who meet the above conditions may apply for KOMePay card as the users of current account set (hereinafter: Set) or independently of the same. Depending on whether the User opts for KOMePay card to be an integral part of the Set or not, he/she signs:

1. Contract on Opening and Maintaining Current Account and on Issuance and Use of Payment Instruments of Private Individual – resident (if KOMePay card is attached to the Set),
2. Contract on Issuance and Use of Visa Electron KOMePay card (if KOMePay card is not attached to the Set or the User does not use any Set),

(hereinafter: Contract).

The Rules of Issuance and Use of Visa Electron digital card of Komerčijalna banka AD Beograd (hereinafter: Rules) and the Contract govern the rights and obligations of the User of KOMePay card.

In order to use KOMePay card, one is required to have a mobile device on which the same will be installed and all the circumstances and situations defined by the Rules apply to KOMePay card and a mobile device on which KOMePay card is installed.

II TERMS

Bank - Komerčijalna banka AD Beograd, 11000 Beograd, 14, Sv. Save Street, TIN: SR 100001931, Registration number: 07737068, Activity code: 6419, Account number: 908-20501-70, BIC (SWIFT): KOBRRSBG, REUTERS dealing code KOMB, Bank's website: www.kombank.com, e-mail address for communication: posta@kombank.com. List of Bank's branches and sub-branches together with the addresses for communication is published on Bank's website. The Bank is a provider of payment services and operates on the basis of operating license granted by the National Bank of Serbia in accordance with the Decision of NBJ O.br. 206 dated 03.07.1991. The Bank's operations, as the provider of payment services, are supervised by the National Bank of Serbia, Belgrade, 12, Kralja Petra Street. The Bank is registered with the Serbian Business Registers Agency under the reference number 10156/2005.

User – private individual who is using or was using the Bank's KOMePay card or approached the Bank for the purpose of using the service of KOMePay card issuance. The User can have resident or non-resident status.

KOMePay card – Visa Electron debit card installed on a mobile device.

KOMePay digital wallet – part of Bank's mBank application in which KOMePay card is installed.

Mobile device – mobile phone / tablet that meets the technical requirements necessary to use KOMePay card.

NFC – „Near Field Communication“ technology that enables contactless transmission of data between devices over short distances.

Card ID and Authorisation code– the security codes necessary to install KOMePAY card: at first use, in case of change of mobile device or reactivation of KOMePAY card. Card ID and Authorisation code are delivered to the User by the Bank upon identification and Contract signing. Card ID and Authorisation code, once entered, can no longer be used.

Payment credentials – one-time security elements necessary for execution of each individual transaction.

ATM - electronic device which enables the KOMePay card User to withdraw cash 24 hours a day, as well as to verify the balance on the account and other services, depending on the type of ATM. The afore-mentioned is applicable on ATMs with contactless readers.

POS terminal (Point of Sale Terminal) - electronic device which is installed at the point of sale/acceptance and serves for conclusion and processing of transactions as per digital cards.

User receipt/Slip (Transaction Receipt) - slip at POS terminal which contains all the data from the KOMePay Card, which serves as a proof that the transaction has been completed.

CNP transaction (Card Not Present) - transaction where for the purpose of its execution, the KOMePay card information is delivered to the point of sale/acceptance, while the physical presence of the Card at the point of sale/acceptance is not

necessary (MO/TO-Mail Order/Telephone Order transactions, or Internet payments on national and international sites, phone, catalogue sale, SMS transactions and alike.).

Point of sale/acceptance - acceptant of monetary funds which are the subject of the transaction.

Sub-account – bank account on which KOMePay card is maintained, along with the changes resulting from the use of KOMePay card.

PIN (Personal Identification Number) – personal identification number that serves for unambiguous identification of the User and for granting consent for execution of the payment transaction.

Domestic transaction – transaction that has been concluded on the territory of the Republic of Serbia in currency RSD, and which is to be financially processed by the Bank in the same currency.

International transaction - transaction that has been concluded outside the territory of the Republic of Serbia in foreign currency, and which is to be financially processed by the Bank in foreign currency.

Transaction Data – the date when the User gave the consent for reading the data on the KOMePay Card for the purpose of concluding the transaction and the Bank authorized such transaction.

Authorisation - the process by which the Bank approves the transactions of the KOMePay card User and authenticates him/her.

SMS notification/service - the service of notifying the User of required authorisation per KOMePay Card, and/or of all the changes relating to use of KOMePay card.

Account Statement – statement of changes on the Sub-account arising from use of KOMePay card, due liabilities and maturity dates.

Payment card associations - associations which define the rules /standards/procedures with respect to Payment Card operations (Visa Inc., MasterCard Worldwide).

III MAIN CHARACTERISTICS

KOMePay card enables payments at POS terminals with contactless readers, with no need to use the card itself, but by utilizing a mobile device on which KOMePay card is installed; it also enables for cash to be withdrawn at ATMs with contactless readers.

KOMePay card is issued in the name of KOMePay card User (hereinafter: User) and is not transferable.

KOMePay card is a debit card, meaning it provides the possibility of performing payments up to the amount of funds available on the Sub-account to which KOMePay card is linked (hereinafter: Sub-account).

KOMePay card can be installed only on one mobile device.

IV ISSUING AND INSTALLING KOMePay CARD

For issuance of KOMePay card an application shall be submitted via mBank application in part Cards→Application for KOMePay card, whereby it shall be necessary for the User to previously be introduced to and to agree to the Rules.

By submitting the Application for KOMePay card the User shall be deemed to have agreed to the Rules.

By submitting the Application for KOMePay card it shall be deemed that the User agrees for the Bank to approve and upon approval to activate the KOMePay card.

The decision on issuance of KOMePay card is rendered by the competent authority of the Bank. Following the approval, the Bank shall contact the User in order to install KOMePay card on mobile device and to activate the same.

For the purpose of installing KOMePay card within the mBank application, the User receives the codes (Card ID and Authorisation code)

For safety reasons the codes are delivered to the User through different channels, Card ID is delivered by mBank message, and the Authorisation code by SMS message. It is necessary that notification be turned on for mBank application.

It is in User's interest to keep secret the PIN, Card ID and the Authorisation code in order to protect the KOMePay card from misuse. It is particularly important that the PIN, Card ID and the Authorisation Code are not kept on any document or device on which KOMePay card is installed.

The User bears possible financial consequences in case of disclosing the PIN, Card ID and the Authorisation code to an unauthorised person or in case of granting the KOMePay card to third parties for use.

In order to install the KOMePay card within the mBank application the User is required the following:

- To provide the latest version of mBank application,

- To provide the Internet connection (mobile or wifi network),
- To activate the NFC option,
- To enter Card ID and the Authorisation code in pre - login mBank application, in part „KOMePay →Add KOMePay card“.

If the codes are properly entered, the KOMePay card will be installed on a mobile device within the mBank application /KOMePay digital wallet and the message will appear indicating that KOMePay card has been successfully added. After that, KOMePay card is ready to use.

Card ID and Authorisation code must be used within 48 hours. If codes are not used within the indicated period, KOMePay card will be suspended and the User must approach the Bank to have the card reactivated and to receive the new codes.

From security reasons change the factory settings on your mobile device by the user, may be affected by the inability to install/add KOMePay cards in mBank application (root your phone, using a debugger, using processors that do not have ARM architecture, superuser powers, etc.).

In order to use KOMePay card the User is required to have, at any time, the latest version of mBank application. When paying with KOMePay card it is necessary for NFC to be activated on a mobile device, or otherwise KOMePay card within mBank application will not be available.

The prescribed time limit for signing the Contract is 3 (three) months.

The User agrees to bear all telecommunication and other expenses, resulting from installing, accessing and using the KOMePay card.

Upon installing the KOMePay card, the User selects a desired PIN for KOMePay card, through mBank application (Cards – Card balance – Card management – Change PIN).

V USE OF KOMePay CARD

The User of KOMePay card is solely responsible for use of KOMePay card in accordance with these Rules and the Contract. The User may use the KOMePay card within the available funds on the Sub-account (inclusive of overdraft, if approved).

At the time of initiating the transaction, in order for the same to be successful, the User must have covered sub-account. Transactions can be executed even if a mobile device has no Internet connection, but it must have available payment credentials for execution of transaction. Maximum number of payment credentials is 5, which means that the User can perform maximum 5 transactions without Internet connection, after which it is necessary that mobile device with KOMePay card establishes the Internet connection and that the User activates KOMePay option, in order for payment credentials to be updated. After 30 seconds the payment credentials will be updated. Once a day and after each payment, and if the mobile device establishes Internet connection, the payment credentials will be updated.

KOMePay card is possible to use only for contactless transactions. Contactless transactions can be performed only at points of sale that are equipped with POS terminals with readers for contactless payments, or at ATMs with contactless readers.

Contactless transactions are those transactions that are executed with no physical contact between KOMePAY card and POS terminals. In case of contactless transactions, when paying for goods/services by KOMePAY card, the User approaches the back of the mobile device on which KOMePAY card is installed to the reader for contactless payments, and/or approaches the back of the mobile device to the reader for contactless payments and enters his/her PIN, depending on transaction amount.

Maximum amount of transaction for which it is not necessary to enter the PIN is governed by the rules of payment card associations and it amounts to approximately USD 25 in equivalent of currency in which the payment is performed.

All readers for contactless payments have on them the following symbol:



The User receives the confirmation of the performed transaction by the message that shows up on display of mobile device, along with a copy of the slip/transaction receipt, which the point of sale/acceptance is obliged to issue. The User is obliged to keep the copy of the slip/transaction receipt for his/her own records and in case of possible complaint.

At certain points of sale/acceptance where due to the speed of execution of transactions, or technological prerequisites, the transactions, up to the amount as prescribed by payment card associations, are performed without entering the PIN (for example contactless payments, payment of toll and alike), the User of KOMePay card grants his/her consent for execution of such transactions by the very use of KOMePay card, and/or by making KOMePay card available for reading.

Cash can be withdrawn by KOMePay card at ATMs that have "Visa Electron" sign visibly displayed and which are equipped with contactless readers. When withdrawing cash at the ATM the User identifies himself/herself by entering the PIN. The User acknowledges that identification by PIN is the only and undisputable confirmation of performed transaction.

Cash withdrawal at ATMs is possible within the prescribed daily limits. For cash disbursements at ATMs, the User shall pay the fee in accordance with the Tariff of Fees.

The card can be used for cash withdrawal and for payment in favour of third parties at the banks' and post offices' counters, if the same are equipped with POS terminals with contactless readers. For cash disbursements at the counters and for payment in favour of third parties the User will pay a fee, in accordance with the Tariff of Fees.

Number of incorrect attempts to enter the PIN when performing a transaction is limited to 3 (three). After the third consecutive entry of incorrect PIN, the KOMePay card is automatically blocked, in which case the User shall contact the Bank.

The Bank does not hold any liability for a damage caused by circumstances beyond its control (electrical power failure, ATM breakdown, different aspects of interruption in communication, defects in the acceptance network of other banks, treatment of transactions in other financial systems, failure/non-functioning of a mobile device on which KOMePay card is installed, interference or interruption in functioning of mobile network, poor mobile network coverage and similar).

The Bank is entitled to make a short interruption in the use of KOMePay card, in case of required service improvement or maintenance, of which it will inform the User by using electronic service, or by e-mail, SMS or mBank message, according to data recorded in the Bank's system, at least two days before, except in emergency situations or when security reasons do not permit it.

The User is not allowed to pledge KOMePay card or to use it as collateral.

It is not possible to pay for goods and services by KOMePay card through CNP transactions.

In order to prevent the misuse, the Bank provides and recommends to User the service of SMS notification of KOMePay card authorisation. The SMS service allows the User to receive the notifications for each transaction carried out by KOMePay card, which significantly reduces the possibility of unauthorised use of the card and possible damage. The User shall not be charged for the SMS notification service.

VI CONSENT FOR EXECUTION OF PAYMENT TRANSACTION

The main condition for execution of payment transaction is the consent granted by User.

The Bank will perform the payment transaction initiated by the use of KOMePay card provided only that the User had given his/her consent prior to its execution. If no consent is granted for execution of payment transaction, it shall be deemed that the same had not been approved and it will not be performed.

Payment transaction is considered approved, and/or authorised, if by applying the appropriate procedures, the use of KOMePay card has been verified and confirmed, including personalised security elements.

Depending on manner/place of the use of KOMePay card (POS, ATM, counter and alike) the consent is granted by entering the personalised security elements of KOMePay card by the User, which are predetermined for a specific type of transactions.

It is understood that the User gave his/her consent for execution of transaction:

1. By entering PIN at POS terminal/ATM,
2. By using for payment and/or by making available for reading a mobile device on which KOMePay card is installed at some points of sale/acceptance where, due to speed of execution of transactions or technological prerequisites, the

transactions, up to the amount prescribed by payment card associations (Visa Inc.), are performed without signature on User receipt/slip, and/or without entering PIN (for example contactless payments, payment of toll and alike.).

The transactions for whose execution the consent has been granted in any of the above manners shall be deemed to have been approved by the User.

The signed User receipt /slip, or electronic data on transactions confirmed by entering the PIN represent a confirmation of the consent granted by the User.

VII COMPLAINTS

The User is entitled to a complaint and for such purposes he/she is obliged to keep and present the copies of slips / User receipts. The complaint is submitted in the Bank's branch in writing, no later than 13 (thirteen) months from the date of account debiting (booking of transaction).

The Bank is not obliged to accept the complaints that were submitted after the specified time limit, and possible financial loss incurred due to untimely submission of the complaint shall be borne by the User.

The complaints relating to possible deficiencies in quality and quantity of goods and services paid by KOMePay card, the User shall exclusively submit to the point of sale where the transaction was performed.

VIII FEES AND SETTLEMENT OF LIABILITIES ARISING FROM THE USE OF THE CARD

Fees relating to the use of KOMePay card and schedule or payment plan are defined by the Contract, in accordance with the applicable Bank's Tariff of Fees at the time of signing the Contract. The fees relating to the use of KOMePay card are agreed upon as fixed.

Membership with respect to KOMePay card shall not be charged.

The overdue liabilities imply all the executed transactions resulting by using the KOMePay card and the fees originating by using the same.

All the transactions that were concluded by using the KOMePay card at POS terminals and all the cash withdrawal-related transactions at ATMs and at the counters of banks /post offices will be settled by the User by providing the coverage on the sub-account and under the conditions and within the time limit as provided for in the Contract.

To transactions from abroad that are charged in dinars, the Bank's selling rate for foreign currencies will apply valid as at the date of financial processing of transaction and account debiting.

If the User fails to provide the coverage for collection at his/her sub-account and therefore an unauthorised overdraft occurs, the Bank shall, on the amount of unauthorised overdraft, calculate the interest rate applicable to overdraft on Sub-account.

If the User fails to provide the coverage for collection of matured liabilities and the Sub-account is in unauthorised overdraft, KOMePay card will automatically be blocked. The automatic de-blocking of KOMePay card will be carried out on the next day following the date of settlement of overdue liabilities and recording the proper balance on the Sub-account.

IX CHANGE OF MOBILE DEVICE

If the User changes mobile device on which he/she wishes for KOMePay card to be installed, then he/she will have to install and activate mBank application on the new mobile device and to contact the Bank for reactivation of KOMePay card. Upon reactivation, the User will receive new Authorisation code that he/she needs to enter together with Card ID in order to install KOMePay card. After entering the correct codes, the KOMePay card, which was installed on User's previous mobile device, will be transferred/installed on new mobile device and will be ready to use.

X LOSS, THEFT OR MISUSE OF KOMePay CARD/MOBILE DEVICE

The User is obliged, promptly upon finding out about the loss, theft or misuse of the mobile device on which KOMePay card is installed, to notify the Bank thereof, which he/she can do in any branch of the Bank during the working hours, or from 0 to 24 hours by dialling the Bank's Contact Centre or Centre for Authorisation and requesting that further use of the KOMePay card be blocked. When reporting these events to the Bank, PIN, Card ID or Authorisation code are not to be disclosed. In the case of reporting by phone, the User or the person authorised by him/her, is obliged within 7 (seven) days to deliver to the Bank in writing on prescribed form the confirmation of reporting the loss/theft or misuse of the KOMePay card. In case of theft of the mobile device on which KOMePay card is installed, the User is obliged to report the theft to police, as well.

If the User suspects that he/she has lost the mobile device on which the KOMePay card is installed, he/she will be obliged to approach the Bank in order for the Card to be blocked, for the purpose of preventing the unauthorised use of the same.

Upon receipt of the written notification on loss, theft or misuse of mobile device on which the KOMePay card is installed, the Bank may issue a new KOMePay card to the User.

The Bank also informs the card acceptant network of the loss/theft or misuse of the mobile device on which KOMePay card is installed, thus announcing the Card invalid. The costs of blocking the Card (reports/announcing the Card invalid) shall be borne by the User in a manner stipulated by the Contract.

In case the unauthorized use of the KOMePay card has occurred, the User is obliged, promptly upon becoming aware of such occurrence, and at the latest within 45 (forty five) days from date of debiting, to report to the Bank the transaction executed by unauthorized use of the KOMePay card, in which case he/she may incur losses resulting from the unauthorised use up to maximum amount of RSD 15.000,00.

The User shall bear all the losses in relation to each transaction executed for and by fraudulent activities of the User and shall also bear the losses occurred on account of a failure by the User to fulfil his/her obligations that arise from the prescribed conditions on issuance and the use of KOMePay card, failure to settle his/her obligation to promptly inform the Bank of the loss, theft and misuse of KOMePay card and to adequately safeguard PIN, Card ID and Authorisation code and the mobile device on which KOMePay card is installed.

In order to prevent the misuse, the User is obliged to undertake all necessary measures for the purpose of preserving the security of the mobile device on which KOMePay card is installed, and data stored in the same (for example, set up the password, PIN or "Pattern" for unlocking the mobile device and keeping them secret).

The User shall not bear the losses incurred under the transactions executed after the loss/theft or unauthorised use of the KOMePay card had been reported to the Bank, unless he/she has himself/herself committed the abuse or participated in such abuse/misuse or has acted with the intention of committing a fraud.

The Bank is entitled to block the KOMePay card:

- If the User acts contrary to the provisions of the Contract and these Rules,
- If there is a suspicion of an unauthorised use of KOMePay card or of using KOMePay card with the intention of committing fraudulent activities, or of misuse of the same,
- If the User reported to the Bank the loss, theft or misuse of the mobile device on which KOMePay card is installed,
- If the User did not settle the liabilities to the Bank in part that relates to and that is regulated by the subject Contract,
- If the User submitted the request for blocking the KOMePay card.

In case the Bank suspects the misuse of KOMePay card, the Bank will block the use of KOMePay card and shall notify the User thereof. If the User cannot be contacted, the Bank will block the card and shall notify the User thereof, whenever possible.

The User who finds the mobile device on which KOMePay card is installed, after having reported the loss /theft must not use it, but instead he/she needs to contact the Bank and to notify it accordingly.

XI CANCELLATION OF THE USE OF KOMePay CARD

Cancellation by the Bank

The Bank is entitled to unilaterally terminate the Contract, to cancel the use of KOMePay card and to announce it invalid, to declare all liabilities due and payable and to demand the collection of the same, with notice period of 2 (two) months, in case of defaulting settlement of liabilities on the Account, and/or failure to comply with the Contract and these Rules, and also in other cases as stipulated by the law or other regulation.

The notice period shall start as of the day when written notification on termination was sent by registered mail to the last known reported address of the User, or as of the day when notification was sent by e-mail, provided such means of communication were agreed upon.

The Bank shall bear no legal or material responsibility for the damage that may arise for the User because he/she did not receive the notice or letter from the Bank which was forwarded to the last address that the User reported to the Bank.

Cancellation by the User

The User is entitled, at any time and free of charge, to unilaterally terminate the Contract and to request the closing of the KOMePay card, with notice period of one month. The notice period starts from date the Bank receives the Request for cancellation/termination. The Contract is terminated and KOMePay card is closed based on the request for cancellation, which is submitted in writing. At the same time, the User can also delete KOMePay card in the very mBank application by choosing the option KOMePay → Delete card.

The User has the right to request the termination of the Contract without the notice period if the Bank does not discharge its liabilities as defined by the Contract.

The User withdrawing from the Contract is obliged, before the expiry of the notice period, to settle all the liabilities that resulted from use of the KOMePay card, together with the agreed fees until the day of disbursement. The User undertakes, at Bank's first demand, to discharge liabilities arising from subsequently received transactions, concluded before cancellation of the KOMePay card, along with the fees related to such transactions.

The User shall not be charged for the service of cancelling the use of the KOMePay card (no fee charged).

Liquidation of the Account shall be carried out upon fulfilment of all User's liabilities incurred from the use of KOMePay card. The user undertakes, at Bank's first demand, to also discharge liabilities arising from subsequently received transactions, concluded before cancellation of the KOMePay card, along with the corresponding interest and fees related to such transactions.