

**GENERAL TERMS AND CONDITIONS FOR ISSUING  
AND USING A PAYMENT CARD AS A PAYMENT  
INSTRUMENT IN ZAPAD BANK**

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## **1. INTRODUCTION**

These General Terms and Conditions for Issuing and Using Payment Cards as a Payment Instrument of Zapad banka AD Podgorica ("the Bank") establishes the manner and conditions for issuing and using payment cards for consumers and non-consumers, respectively for physical persons and legal entities, as well as the rights and obligations of the Bank and the Account Holder / Card User ("Client").

The General Terms and Conditions for Issuing and Using Payment Cards as Bank's payment instrument ("General Terms") shall apply to issuing of payment cards, manner of its use by Client, reporting to Client on changes and balance of transaction account and/or payment card transaction account, charging Bank's fees for providing payment card services, blockade and cancellation of payment cards as well as other issues related to the issuance and use of payment cards.

An integral part of these General Terms constitute:

- General rules for Issuing and Using Mastercard Debit cards ("General Rules") as specific rules;
- General Rules for Issuing and Using the Mastercard Business Debit Cards ("General Rules for Mastercard Business Debit Cards") as special rules and
- Tariffs (Residents and Tariffs - Non Residents) ("Tariffs") of the Bank,

whether they are an integral part of the Agreement or available to Clients on the Internet site [www.zapadbanka.me](http://www.zapadbanka.me) ("the Website") or are posted in the premises and / or in Bank's organizational units (branches, branch offices, counters, overseas representation offices) ("Bank's premises").

Any referral to the General Terms hereinafter includes a reference to the documents mentioned in the foregoing paragraph.

General Terms and Conditions are an integral part of the individual Agreement (on the Issuance and Use of Mastercard Standard Debit and / or Mastercard Gold Debit) and together with the Application for Issuance of the Mastercard Debit Card and the General Rules referred to in paragraph 3 of this part of the General Terms constitute the Agreement and represent a unified whole as well as constituent part of the General Rules for Mastercard Business Debit Card referred to in paragraph 3 of this part of the General Terms and a separate Agreement on issuance and use of Mastercard Business Debit Card (hereinafter referred to as "the Agreement").

General Terms, General Rules or General Rules for Mastercard Business Debit Cards and Tariffs are available in writing when applying for a Mastercard Standard Debit, Mastercard Gold Debit, Mastercard Business Debit Card in the Bank's premises and at the Bank's website.

In case of a collision of the Agreement with the General Terms and / or other acts of the Bank, the provisions of the Agreement shall apply, then the provisions of the Framework Agreement on Payment Services (National and International Payment Transactions), and General Terms of Service of Payment Transaction (Provision of Payment Services for consumers / non-consumers) in the Bank, General

Terms, General Rules or General Rules for Mastercard Business Debit Card and at the end of provisions of other Bank's acts. By signing the Agreement, Client confirms that he/she has been previously made aware of these General Terms and agrees with them and accepts them.

## **2. BANK – PAYMENT CARD ISSUER**

<b>Name:</b>	ZAPAD BANKA AD PODGORICA
<b>Address:</b>	Moskovska street 2B/Vii, 81 000 Podgorica, Montenegro
<b>Registrar of Companies number:</b>	40009448
<b>Identification number:</b>	3032531
<b>Tax Identification Number:</b>	3032531
<b>BIC/SWIFT:</b>	ZBCGMEPG
<b>Bank account with the Central Bank:</b>	907-57001-31
<b>E-mail:</b>	info@zapadbanka.me
<b>Web page:</b>	www.zapadbanka.me
<b>phone:</b>	+382 20 690 000
<b>Fax:</b>	+382 20 690 001
<b>Supervisory body:</b>	Central Bank of Montenegro
<b>Work permit issued by the Central Bank of Montenegro:</b>	0101-4014/67-3 from 30.1.2015

## **3. TERMS AND INTERPRETATION**

In these General Terms, the following words have the following meanings:

Acts of the Bank	All documents and decisions approved by the authorities of the Bank, its bodies and authorized persons, which are available to the Client through the certain distribution channels that define the rights and obligations of the Client and all other persons who are undertaking the rights and obligations to the Bank, and the Bank itself.
User authentication	A procedure that includes the identification and verification of the user's identity.
Transferor Bank	Provider of payment services transmitting information necessary for transferring payment accounts.

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Recipient Bank	Provider of payment services receiving information necessary for transferring payment accounts.
Biometric authentication	User authentication method using a biometric property such as e.g. fingerprint, face scan, etc., previously saved by the User in their mobile device/application.
CVV code	three-digit code on the back of a payment card, which is used in carrying out transactions on the Internet or MOTO / CNP transactions.
Execution Date of the Payment Order	The day on which the Bank debits the client's transaction account and/or transaction account linked to the client's payment card or reserves funds for the executed payment.
Currency credit/debit date of	The date on which the Bank approves the account of the payment service provider of the payee or the transaction account and/or payment card account of the Client..
Debit card	represents a payment card with payment and settlement of the transaction account without delay.
Distribution channels	All the means and channels through which access, contracting, and usage of the Bank's products and services are possible, including bank branches, the bank's website, electronic banking services, etc.
Direct debit	Payment service for debiting the Payer's payment account, whereby the payment transaction is initiated by the Payee, based on the consent given by the Payer to the Payee, the Payment Service Provider of the Payee, or the Payment Service Provider of the Payer.
Member state	Member State of the European Union or a signatory state of the European Economic Area Agreement.
E - banking	Remote access services for accessing Client account information and/or executing payment transactions and currency conversion transactions using computer or mobile devices.
Electronic payment transaction	A payment transaction initiated and executed through the use of an electronic platform or device, excluding payment transactions initiated by paper-based payment orders, mail, or telephone.

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Identification document	The document submitted to the Bank by the client to establish their identity, nationality, and residential address (ID card for residents, passport or other appropriate identification document with a photograph for residents and non-residents).
Internet banking	The service within E-banking that enables clients to access their transaction accounts and perform transactions remotely using a computer and a device that allows the receipt or generation of OTP codes.
Internet point of sale	A registered point of sale (merchant) that offers products or services via the Internet.
Internet transaction	The transaction carried out at the Internet point of sale by the Payment card
Unique identification code	A combination of letters, numbers, or symbols designated by the payment service provider to the payment service user, which the payment service user must provide in order to clearly identify another payment service user and/or the transaction account of another payment service user used in the payment transaction (the unique identification code can be IBAN/BBAN/account number; BBAN is used in domestic payments, while IBAN is used in international payments).
One – time payment transaction	A payment order containing information in accordance with the Law
Specimen Signatures	A list of signatures of authorized persons for managing funds on the client's transaction account and/or transaction account for payment cards, deposited on the Bank's designated form.
Payment card user	The client or a person specially authorized by the client to use the payment card.
Payment service user	a physical person or legal entity who uses a payment service as a payer and / or a payee.
Client's contact address	The address provided by the Client to the Bank when contracting any product or service, or subsequently notified to the Bank in writing, as the address to receive written notifications from the Bank, if that address is different from the Client's headquarters/residence/domicile.

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Credit transfer	A payment service through which the payer initiates and executes one or more payment transactions with their payment service provider, including setting up a standing order.
International payment transaction	A payment transaction in which one payment service provider provides a payment service within the territory of Montenegro, and another payment service provider operates within the territory of another country, as well as a payment transaction in which the same payment service provider provides a payment service to one user within the territory of Montenegro, and to the same or another user within the territory of another country
MOTO/CNP transaction	Mail order and telephone order - postal and phone orders and non-present Card transactions - represent transactions whose performance at the point of sale does not require the use of Client's payment card.
Mobile banking	a service within E-banking that allows clients to access their transaction accounts and perform transactions remotely using mobile telecommunication devices such as smartphones, tablets, and mobile devices.
Payment order	Instruction submitted by the Client to the Bank requesting the execution of a payment transaction.
National payment transaction	Payment transaction involving the payment service provider of the payer and/or the payment service provider of the payee, who provide payment services in the territory of Montenegro
Nonconsumer	A natural person who acts in payment service contracts within the framework of his registered economic activity - an entrepreneur, as well as a legal entity.
Nonresident	person defined in accordance with the law on governing the current and capital transactions with foreign countries.
Cash assets	cash (banknotes and coins), funds in the account, and electronic money

Framework Agreement for the Provision of Payment Services (national and international payment transactions)	Agreement on Payment Services, regulating the future execution of individual payment transactions, terms of opening and maintaining transaction accounts, transaction accounts - payment cards, as well as services related to the transaction account and/or transaction account - payment card.
Transaction Account for the Execution of National Payment Transactions (BBAN) and Transaction Account for the Execution of International Payment Transactions (IBAN) and Framework Agreement for the Provision of Payment Services (national and international payment transactions via payment card)	
Transaction Account for the Execution of National Payment Transactions (BBAN) and Transaction Account for the Execution of International Payment Transactions (IBAN) (hereinafter referred to as the "Framework Agreement")	
Authorized person	An individual who is the user of payment services - the owner of the transaction account and/or transaction account - payment card, or their authorized representative empowered to dispose of funds in that account, in accordance with the Bank's internal regulations and any specific power of attorney obtained.
OTP code	One time password - a one-time password of limited duration - which the Client receives through the Notification Service, hardware or software token.
Sensitive data	Data that can be used for fraudulent activities, including personalized security information, whereby, for the activities of payment initiation service providers and account information service providers, the account owner's name and account number do not constitute sensitive payment data.



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Personalized elements	security	Data on the payment card and associated data that enable the Bank to identify the person authorized to use the card, particularly the cardholder's name, card number, card verification code printed on the card, card expiration date, PIN, cardholder's signature on the card, as well as OTP (One-Time Password), TAN (Transaction Authentication Number), and CVV (Card Verification Value).
Payment card PIN		Personalized security element consisting of the client's Personal Identification Number (PIN), assigned by the Bank, known exclusively to the cardholder, strictly confidential, and used for identifying the cardholder and authorization in payment transactions requiring PIN identification and authorization.
Payment instrument		A personalized means and/or set of procedures agreed upon between the payment service user and the payment service provider, which the payment service user applies to initiate a payment order.
Payment card		A payment instrument that enables its holder to pay for goods and services either through a point-of-sale device or remotely, and/or that allows cash withdrawals or the use of other services at an ATM or other self-service device.
Consumer		A natural person who concludes a contract on payment services covered by these General Terms for purposes other than intended for his/her activities, business or profession.
Connected brands	payment	The inclusion of two or more payment brands or payment applications of the same payment brand on the same payment instrument.
Special conditions		The terms proposed for a specific service of the Bank (e.g., Electronic banking services, payment cards, services, etc.).
Reliable authentication verification	client	Authentication verification based on the use of two or more elements falling into the categories of knowledge, possession, and inherent traits, which are mutually independent and known only to the user, meaning that compromising one does not diminish the reliability of the others. It is designed in a manner that safeguards the confidentiality of the data whose authenticity is being verified.
Acceptance of payment transactions		Payment service through which the payment service provider, based on an agreement with the payee for the acceptance and processing of payment transactions, transfers funds to the payee.
Receiver of funds		physical person or a legal entity that are intended to receive the funds that are the subject of a payment transaction.

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Authentication Verification	The process that enables the payment service provider to verify the identity of the payment service user or the validity of the use of a specific payment instrument, including the use of personalized security data of the user.
The provider of payment services	entities that can, under the law, provide payment services in Montenegro.
Business day	The part of the day during which the Bank or another payment service provider of the payee participating in the execution of the payment transaction operates and enables the execution of the payment transaction to the payment service user.
Payment account	An account held by a payment service provider in the name of a single payment service user, used for executing payment transactions.
Reference	Numerical code generated during payment order processing at the Bank, enabling the payer/payee to identify the payment transaction.
Reference rate	the rate used as a currency conversion basis, made available by the payment service provider or derived from a publicly available source (Mastercard).
Resident	person defined in accordance with the law governing the current and capital transactions with foreign countries: <ul style="list-style-type: none"><li>- Companies and other legal entities registered in Montenegro, except for their representative offices outside Montenegro;</li><li>- Parts of foreign companies registered with the competent authority in Montenegro;</li><li>- Entrepreneurs: individuals residing or domiciled in Montenegro who engage in economic activities for their own account to make a profit and are registered with the competent authority in Montenegro.</li><li>- Natural persons: citizens of Montenegro who have resided continuously in Montenegro for one year or more.</li><li>- Natural persons: foreign nationals who, based on a residence permit for permanent or temporary residence, or a permit for temporary residence and work, have resided continuously in Montenegro for one year or more.</li><li>- Diplomatic, consular, and other representations of Montenegro abroad, their employees, and members of their families who are not foreign nationals.</li></ul>

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Tariff		Current publicly disclosed price list according to which the Bank, among other things, charges fees for services related to account opening and maintenance and execution of payment transactions
Payment Transaction Reception and Execution Term plan		Bank's act defining deadlines, manners and conditions for execution of payment transactions
Token		Hardware or software OTP generator
Transaction account		type of account for payment which are opened and managed by banks and other credit institutions that provide payment services, a branch of credit institutions from other countries established in Montenegro and Central Bank in the name of a payment service user for the execution of payment transactions and for other purposes. The same is used for the execution of payment transactions as well as for other purposes related payments of turnover services, which are open to consumers and non-consumers physical persons and legal entities, residents and nonresidents.
Payment card transaction account		Type of account associated with a payment card, serving as a payment instrument. It is opened for both consumers and non-consumers, individuals and legal entities, residents and non-residents. It records all financial changes, fees, and costs incurred through the use of the Card/s, in accordance with the Tariffs. Upon request of the primary Cardholder, individual accounts can be opened for all users of additional cards.
Permanent medium		A medium that allows the client to store data sent to them personally, in a way that keeps the data accessible for future use during a period appropriate to the purpose of the data and enables the reproduction of the saved data in an unchanged form.
The Agreement for issuing and using a Mastercard debit card		Agreement regulating the way of issuing and the conditions for using a debit Mastercard card.
Payment initiation service		A payment service initiating a payment order at the request of the payment service user that concerns an account held at another payment service provider.
Account information service		a payment service provided through online access, which provides consolidated information on one or more payment accounts held by the payment service user with another payment service provider or multiple payment service providers.

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Notification service	A service within E-banking that enables clients to receive notifications via mobile phone, including sending OTPs (One-Time Passwords) via messages, as well as messages about the balance, inflow, outflow on the transaction account and/or payment card transaction account, information about the Bank's payment cards and their usage, including other banking-related information through SMS, Viber, and other messaging platforms.
Account owner	The user of payment services who has signed the Framework Agreement with the Bank and has opened a transaction account and/or a transaction account for payment cards with the Bank.
Terms and conditions for Zapad Secure service	Conditions on the basis of which reliable authentication is carried out during online shopping.
Law	Existing Law on Payment System in Montenegro, including amendments thereon
Zapad Secure service	Bank's service - an application for mobile devices that enables reliable user authentication.
3D Secure Standard	A standard for verifying the identity of the card user when shopping on the Internet, developed by card schemes (Mastercard, Visa), which enables safe payment of goods and services by card via the Internet;
3D Secure service (Three Domain Secure)	In the sense of these Terms, it refers to the application of the Mastercard SecureCode standard for more secure payment of goods and/or services at Internet points of sale;
Representative	A person being the legal representative of the Client, based on the Articles of Association, founding or other acts or person who establishes a business relation on behalf of the client, i.e. their representative under a special proxy.

With regard to the interpretation of the meaning of certain words in this part of the General Terms, it is insignificant whether singular or plural or gender nouns were used or not, including a capital letter or lowercase letter. The titles of individual parts are given for orientation and cannot form the basis for the interpretation of the General Terms.

#### **4. AREA OF APPLICATION OF GENERAL TERMS**

The General Terms apply to the future execution of payment transactions initiated by Client through payments of goods and services by payment card at the receiving device or remotely, as well as cash withdrawals at the ATM.

The Bank issues a payment card to a physical person and legal entity, if there is an open payment account in the Bank and when it is being used.

All of the above information is available in an appropriate form to the beneficiary of the services, provided by the Bank upon the conclusion of Agreement on the issuance and use of payment cards and the acceptance of these General Terms - which are considered an integral part of such agreements.

#### **5. ISSUING AND USING OF PAYMENT INSTRUMENTS**

Upon opening of a transaction account and/or payment card transaction account, the Bank may issue payment instruments to the Client and / or its authorized persons and / or payment card users at Client's request in accordance with these General Terms and conditions for issuing and using payment cards. The bank issues a payment card to the User of the payment card that reads on his/his behalf and is linked to his/her transaction account and/or payment card transaction account. Transactions executed with the payment card of the User shall be charged to the transaction account and/or payment card transaction account of the Client with the date of the transaction. The payment card is Bank's ownership. It is issued in the name of the Card User, it is non-transferable and can only be used by a person whose name is printed on the payment card and is issued for the agreed duration time. The payment card can be used as a non-cash payment instrument at the points of sale in Montenegro and abroad, which have prominent card labels, when purchasing goods and services, as well as cash withdrawals, only to the amount available on the transaction account and/or payment card transaction account. Client is responsible for all expenses incurred using the payment card. For all expenses incurred in the country, The Bank debits the Client's transaction account and/or payment card transaction account in the currency to which the card is linked (EUR / USD), at the exchange rate set by card organization (Mastercard).

Before the expiration of the validity period of the existing card, the Bank issues a new card with a new expiry date. The card whose validity period has expired must not be used. In that case, the User should cut the card and return it to the bank by mail or in person. Any other use of the card, as well as the use of the card by a person whose name is not printed on the card, is considered misuse, and the Bank may deny usage rights, confiscate the card, and terminate the agreement on the transaction account and/or transaction account for the payment card.

Misuse of the right to use the card specifically includes using the card for the purpose of concluding fictitious sales contracts, securing debt settlement, debt collection, and for any other purpose that is contrary to morality and the positive regulations of Montenegro by its nature and purpose.

To perform non-cash and cash payment transactions using the payment card, the Payment services User signs all required documentation in accordance with the internal acts of the Bank and receives payment card and PIN.

#### *5.1. Bank's obligation related to payment instruments*

The Bank is obliged to:

- ensure that personalized security elements of a payment instrument are accessible only to Client authorized to use that payment instrument;
- refrain from sending a payment instrument that Client did not require, except in the case of
- replacement of the payment instrument already issued;
- allow Client to provide at any time notice of theft / loss of his/her payment card,
- upon Client's request, provide an appropriate evidence that he/she has provided the notification in accordance with the Agreement and provided that such request is filed within 18 (eighteen) months after the Bank's receipt of such notice;
- prevent any use of the payment instrument upon receipt of the notice.
- The Bank bears a risk of delivering the payment instrument and personalized security elements of the payment instrument to Client.

#### *5.2. Restrictions / limits for use of payment instruments*

The payment services user and the bank agree on spending limits for payment transactions, executed through payment instruments that are subject to changes, with the bank informing the payment services user about them through the defined communication methods in these General Terms. The bank determines the daily and monthly limits for cash withdrawals at ATMs and for payment of goods and services via EFTPOS devices and informs the payment services user about them upon card activation. These limits are constrained by the network limits in which the payment card is used.

#### *5.3. Responsibility for damage to payment card*

The user is obliged to immediately report to the bank any loss or theft of their debit card and request the bank to block its further use. Upon receiving notification of loss, theft, or other misuse of the debit card, the bank will declare it invalid. If the user finds the card after reporting it lost or stolen, they must not use it and must promptly return it to the bank.

If the bank does not facilitate reporting of loss, theft, or unauthorized transactions using the debit card or its data at any time, the user is not liable for unauthorized use unless they themselves have committed misuse.

The user bears losses related to any transaction they have committed misuse in and also bears losses resulting from failure to fulfill their obligations arising from

1. prescribed conditions of issuance and use of the debit card, as well as
2. the obligation to adequately safeguard the PIN code.

The user is not liable for losses incurred due to transactions made after reporting loss, theft, or unauthorized use of the debit card or its data, unless they themselves have committed or participated in misuse or acted with intent to defraud.

The bank will send information to the client about each transaction made domestically and internationally via SMS/Viber to the mobile phone number registered with the bank, as well as through internet banking if used by the client. The client is required to immediately inform the bank and block their debit card upon receiving a message about a change in account status that they do not recognize as their own.

#### **5.4. Cancellation / Replacement of payment card**

Termination of use of the debit card may occur at the initiative of the Client (cancellation of use) or by the Bank's denial of the right to use (prohibition of use).

The Client may cancel the use of the payment card in writing or by visiting the bank's organizational unit, at least 30 (thirty) days before the expiry date of the Card. Otherwise, the Bank may automatically renew and issue a new payment card to the Client. The expiry date of the payment card is indicated on the card itself. The card whose use has been canceled must be returned to the Bank along with all other additional cards, and all obligations arising from transactions with the payment card must be settled.

The Client is obliged to return the damaged or malfunctioning payment card to the Bank cut up, either in person or by mail. The Bank will cancel the damaged card and issue a new one. The service of replacing the payment card in case of damage is charged to the Client in accordance with the Bank's Tariffs, unless the Bank decides otherwise.

In case of loss, theft, or misuse of the payment card, the client has the right to have it replaced.

## **6. CLIENT'S AND ITS AUTHORIZED REPRESENTATIVE OBLIGATIONS AS USERS OF BANK'S PAYMENT INSTRUMENTS**

Client or its authorized representative who is authorized to use the payment instrument shall:

- 1) use the payment instrument in accordance with the provisions of the Agreement governing the issuance and use of the payment instrument and
- 2) promptly inform the Bank or a person designated by the Bank on the identified loss and / or theft and / or misuse of the payment instrument and / or its unauthorized use. Client or its authorized

representative shall, immediately upon receipt of a payment instrument, take all reasonable measures to protect the personalized security elements of that payment instrument.

## **7. BANK'S RIGHT TO BLOCK THE PAYMENT INSTRUMENT**

The Bank has the right to block the payment instrument for justifiable reasons:

- 1) relating to the security of the payment instrument;
- 2) relating to suspicion of unauthorized use, or use of the payment instrument with the intent of fraud.

The Bank is obliged to inform Client of the intention and the reasons for blocking the payment instrument to the address / phone listed when opening a transaction account and/or payment card transaction account. The Bank will notify Client first orally and then by email or by written confirmation to the given address. If the Bank is unable to inform the Client immediately after the establishment of the blockade, it shall do so as soon as possible.

Exceptionally, in the case of justified security reasons or when required by law and the competent authorities, the Bank will not execute the obligation to inform the Client.

Client shall, without delay, inform the Bank of a loss and / or theft and / or misuse of the payment instrument and / or its unauthorized use, in accordance with the provisions of the Agreement. If the notification of loss and / or loss and / or theft of payment card is made by phone or e-mail, Client shall, within three (3) days of the notification of loss and / or loss and / or theft of the card, confirm it in writing to the Bank. Upon the completion of the notification report to the Bank by the Client in connection to the loss and / or disappearance and / or theft of the card, the Bank will block the payment card and prevent its further use.

The Bank will unblock the payment card after termination of the reason for which it was blocked.

- 3) When the Cardholder closes the transaction account in the Bank;

## **8. PAYMENT SERVICES**

### *8.1. Signing payment orders / Verification*

When paying or withdrawing cash with payment card on EFTPOS devices, Client is identified with signature or PIN, and for cash withdrawals at ATMs via PIN. Correctly typed and checked PIN serves as the exclusive and unambiguous confirmation of the rendered service at an ATM or EFTPOS terminal. Client is obliged to keep the PIN confidential and not disclose it to others, nor mark it on the payment card. All risk of PIN abuse is borne by Client. Confirmation of transactions conducted on EFTPOS terminal that does not have PIN module is Client' signature. For payment of goods and services acceptance locations on the Internet Client's identity is confirmed by the following data: card number, the expiration date of the payment card and optional - security codeprinted on the back of a payment card (CVV code), OTP code and/or biometrics. Client for payment of goods and services at acceptance locations on the Internet, and telephone orders, payment of tolls and etc, bears responsibility for



possible misuse if the misuse occurred due to negligence or gross negligence by the Card User or by use of the card contrary to the general and specific business conditions.

Client gives consent for the payment transaction by inserting the payment card into the ATM and entering a PIN code or inserting a payment card in the EFTPOS device and entering PIN code, or in the case of transactions carried out on the Internet (e-commerce payments) or MOTO / CNP transaction by entering CVV code of the payment cards, OTP code and/or biometrics. Client agrees that the PIN, typed and checked at an ATM or EFTPOS terminal or the signature on the certificate EFTPOS terminal that does not have PIN module with the transactions conducted on the Internet (e-commerce payment) or MOTO / CNP transactions, entering CVV code of the payment card, OTP code and/or biometrics is exclusive and unambiguous confirmation of the rendered service of cash withdrawals at payment locations, paying the bills.

When dealing with a transaction account Client -consumer is required to identify him/herself with the payment / banking card and a valid identification document. When signing in dealing with transaction account, the signature of the Client -consumer must be identical to the signature deposited on the Application or banking / payment card.

Consent to execute a payment transaction or a series of payment transactions must be given in the manner agreed between the payer and their payment service provider and may also be given through the payee or the payment initiation service provider. Otherwise, the payment transaction is considered unauthorized.

## *8.2. Authorization of payment transactions*

A payment transaction is authorized if the payer has given consent for the execution of the payment transaction or if the payer has given consent for the execution of a series of payment transactions, of which this payment transaction is a part. The method of giving consent for the execution of a payment transaction depends on the type of payment instrument and the method of receiving orders.

The user provides consent for the execution of a payment transaction with a card by:

- Inserting or presenting the card (contactless) at the point of sale for the purchase of goods or services and entering the PIN into the POS terminal or signing the transaction confirmation generated from the POS terminal.
- Inserting or presenting the card (contactless) at an ATM and entering the PIN into it.
- Inserting or presenting the card (contactless) into the POS device at a cash withdrawal point, entering the PIN into the POS terminal, or signing the transaction confirmation generated from the POS terminal.
- Entering card details, including access security elements required during internet transactions,

or entering the username and/or password under which the user's card is registered as a means of payment for online purchases.

- At certain toll payment or parking fee payment points where, due to the speed of transaction execution or technological prerequisites, consent for the execution of such transactions is defined without the cardholder's signature or PIN entry. The card user gives consent for the execution of such transactions by the mere act of using the card.

When performing a payment transaction by presenting the card (contactless), if the amount is up to 40 euros, it is not necessary to enter the PIN code. For amounts over 40 euros, a PIN code must be entered.

The transaction amount limit for requiring PIN code may be different when paying at terminals of other banks that support contactless technology.

The bank will not ask to enter the PIN code in cases if:

- the total value of previous contactless payment transactions initiated with the Card does not exceed EUR 150 or
- the number of consecutive contactless payment transactions with the Card does not exceed five.

The card user agrees that their PIN, entered and verified at the ATM or POS terminal, or the signature on the POS terminal confirmation without the PIN option for internet transactions or MOTO/CNP transactions, the entry of the CVV/CVC code, and OTP code and/or biometrics, constitute the exclusive and unambiguous confirmation of the transaction and their identity.

All authorizations arising from the use of debit cards are conducted in the domestic currency, i.e., euros, as well as in other settlement currencies, US dollars, whereby the amount of reserved funds for debit/credit transactions in other currencies may differ from the original amount until the transaction is posted.

The card can be used to pay for goods and/or services through the means of modern communication. When initiating Internet transactions, if the Internet point of sale supports the 3D Secure standard and if it complies with the applicable legal regulations, it is necessary to perform a Reliable client authentication verification.

Strong Customer Authentication is carried out using the Zapad Secure service, which includes biometric authentication.

Bank will not require Reliable client authentication verification when Cardholder initiates the card payment transaction at the online point of sale if:

- the amount of the payment transaction is less than 30 euros and

- the total value of previous payment transactions at the Internet point of sale, initiated by the Cardholder, does not exceed 100 euros since the last application of Strong Customer Authentication and/or
- the number of previous payment transactions at the Internet point of sale initiated by the Cardholder does not exceed five since the last last application of Reliable client authentication verification

Before using the Zapad Secure service, the Cardholder is obliged to review and accept the Terms and conditions of Zapad Secure service and regularly follow the notifications that the Bank makes available to him/her through distribution channels (the Bank's website [www.zapadbanka.me](http://www.zapadbanka.me), through the application for the Zapad Secure service, etc.).

### **8.3. *Proof of authenticity in execution of payment transactions***

When Client disputes to have authorized an executed payment transaction or claims that the payment transaction was not correctly executed, the Bank will prove that the authentication of the payment transaction was carried out, that the payment transaction is accurately recorded and processed and that the execution of payment transactions is not affected by a technical failure or some other deficiency.

Authentication is a procedure that allows the Bank verification, using a specific payment instrument including verification of its personal security elements, in accordance with the Law. As proof of performed authentication shall be considered a record in a database of a successful / unsuccessful login in the intranet banking system, in application log with data on date, time, IP address from which the application was made and a description of the activities and record on conducted payment orders in the database tables with information on the date, time, amount, actions by compartments (input, verification, other verification-authorization) and transaction account payments.

The Bank, as a provider of payment services and issuer of payment instruments, is obliged to require the application of strong customer authentication for electronic payment transactions, except in cases where exceptions are permitted by applicable regulations, depending on the transaction amount, number or total amount of consecutive transactions, the payee, or other criteria provided for by applicable regulations.

In cases where, in accordance with the Decision on Ensuring Strong Customer Authentication and Common Security Open Communication Standards - Exceptions to the Application of Requirements for Strong Customer Authentication, the mere fact that it was not required or conducted does not in itself mean that the transaction was not authorized in the agreed manner.

## **9. RESPONSIBILITY OF CLIENT / NON-CONSUMER FOR UNAUTHORIZED TRANSACTIONS**

Client consumer is responsible for executed unauthorized payment transactions:

- 1) to the total amount of € -50 (fifty euros), if the execution of unauthorized payment transactions is a result of lost or stolen payment instrument or misuse of that payment instrument occurred because the Client did not protect the personalized security elements of that payment instrument, and
- 2) in the full amount if acted fraudulently or not, intentionally or due to gross negligence, fulfilled one or more obligations under Part VI of these General Terms.

An exception to the last said, if the execution of payment transactions is a result of the use of a lost or stolen payment instrument or the consequence of a misuse of a payment instrument, Client is not liable for unauthorized payment transactions after having duly notified the Bank.

If Client fails to notify the Bank immediately after becoming aware of an executed unauthorized payment transaction, and no later than thirteen (13) months from the date of the charge, Client loses the right from this Part that rightfully belongs in the case of the execution of unauthorized payment transactions. Responsibility of Client-non-consumer for unauthorized transactions is regulated by the Agreement.

## **10. CLIENT'S CONSUMER / NON-CONSUMER RIGHTS IN CASE OF UNAUTHORIZED OR INCORRECTLY EXECUTED PAYMENT TRANSACTION**

In the case of unauthorized payment transactions, wrongly executed payment transaction including delay of the execution, the Client has the right to require from the Bank correction of unauthorized payment transactions / orderly execution of payment transactions, i.e. interest or return of amount of incorrectly executed / unauthorized payment transactions in accordance with the law.

The client loses this right if on incorrect execution of payment transactions or on unauthorized payment transaction does not notify the Bank immediately after the discovery, and no later than thirteen (13) months from the date of charge, i.e. the date of approval of transaction accounts. The deadline of 13 (thirteen) months shall not apply if the Bank failed to provide or make available to Client information on that payment transaction in accordance with the law.

In this case Client may exercise the right referred to in paragraph 1 of this part of the General Terms in timeframe that is more than thirteen (13) months.

Client's-non-consumer rights for unauthorized transactions or wrongly executed payment transaction are regulated by the Agreement.

## **11. BANK'S RESPONSIBILITY FOR EXECUTION OF UNAUTHORIZED OR INCORRECTLY EXECUTED PAYMENT TRANSACTIONS**

In the case of the execution of unauthorized or incorrectly executed payment transaction, the Bank is obliged to, at the Client's request for the return of amount of unauthorized payment transactions, return the amount of unauthorized payment transactions without delay, and in case of the execution of unauthorized payment transactions from transaction account and/or payment card transaction account is obliged to return the balance on transaction account and/or payment card transaction account in the balance prior to the execution of the payment transaction, with the currency date of the payer's account

credit for payment must not be later than the date on which that account is debited for the amount of the unexecuted or incorrectly executed payment transaction.. The Bank is obliged to return to Client all fees charged in connection with the executed unauthorized or incorrectly executed payment transaction and pay accrued interest. In addition to the foregoing, in the case of the execution of unauthorized payment transactions, Client has the right to a difference up to full compensation for damages under the general rules on liability for damage.

The bank, as a provider of payment services, has the following rights and obligations in the event of certain instances of incorrect execution of a payment transaction, namely:

1. If the payment service provider of the payer transfers to the payment service provider of the payee an amount exceeding the amount specified in the payment order, or if, by mistake, the payment service provider executes the payment order multiple times, the payment service provider of the payee, based on evidence provided by the payment service provider of the payer who committed this error, is obligated to promptly return the excess funds transferred.
2. If the payment service provider of the payee receives an amount less than the amount specified in the payment order, the payment service provider of the payer may, within the legally prescribed period, transfer to the payment service provider of the payee the missing amount necessary to complete the payment transaction in accordance with the given payment order, without the request of the payment service user for correct execution of the payment transaction.
3. If funds are mistakenly transferred to another payee not specified in the payment order, the payment service provider of the payer may, within the legally prescribed period, correctly execute the payment transaction without the request of the payment service user for the correct execution of the transaction. The payment service provider of the payee to whom the funds were mistakenly transferred is obligated to promptly return (refund) the received funds to the payment service provider of the payer based on evidence provided by the payment service provider of the payer who made the error.

**Responsibility for executing the payment transaction in the case of payment initiation through a payment initiation service provider**

If the payer initiates a payment order through a payment initiation service provider, the payment service provider maintaining the payer's account is obliged, in accordance with the Law, to reimburse the payer for the amount of the unexecuted or incorrectly executed payment transaction and to restore the account to the state it was in before the execution of that payment transaction.

The payment initiation service provider is required to prove that the payment service provider maintaining the payer's account received the payment order in accordance with the Law and that, within its powers, authentication of the payment transaction was carried out, that the payment transaction was properly recorded, and that it was not affected by a technical malfunction or other deficiency related to the non-execution or incorrect execution of the payment transaction, including delayed execution.

If the payment initiation service provider is responsible for the non-execution or incorrect execution of the payment transaction, including delayed execution, it is obliged, at the request of the payment service provider maintaining the account, to promptly reimburse all amounts paid to the payer and any other damages suffered.

## **12. BOOK ENTRIES / CORRECTION OF BOOK ENTRIES**

The Bank is required to perform timely book entries of changes to transaction account and/or payment card transaction account in order that the Client, taking into account the exact state (balance) of account, could dispose of the funds in the account for payment. The Bank is authorized, when establish, to cancel any incorrect payment / withdrawal / transfer of funds (all non-cash payments). The Bank is authorized to independently make the necessary corrections, issue appropriate order and enforce changes on the payment account in order to properly display its balance.

On every such action taken of account settlement, the Bank is required to promptly notify the Client. The Bank shall not carry out the abovementioned corrections if the account has insufficient funds. This authorization in case of doubt has the characteristics and the legal effect of an issued standing order.

## **13. RIGHT TO SETTLEMENT**

Bank under the Agreement with a User of payment services is authorized without the specific approval of the payer or court proceedings or any other proceedings - in order to collect its own due receivables based on activities related to payment accounts opened with the Bank (interest, fees, expenses), confiscates all necessary funds in these accounts transfers them to its account for the purpose of settlement.

The Bank has the right to, according to its choosing, collect from all or any of the payer's payment account, doing the conversion (conversion) of foreign and domestic currencies (currency) - if necessary, in order that is independently determined and using its own rates, unless otherwise agreed.

## **14. FEES AND EXPENSES**

For issuing, maintenance and use of payment cards as a payment instrument, Client is obliged to duly pay fees to the Bank regulated by Bank's Tariffs, as well as possible the resulting extra expenses.

Fees and expenses are determined in EUR (euro) and settled in the time specified in the Bank's Tariffs. The amounts of fees and expenses, the Bank can change unilaterally. Any such changes will be published and made available to the User of payment service in the business premises of the Bank. The mentioned data of the amounts of fees and expenses the Bank will make available no earlier than 2 months before the entry into force, and on its website [www.zapadbanka.me](http://www.zapadbanka.me).

## **15. CURRENCY AND RATES**

For all transactions resulting from the use of payment cards, Client's transaction account and/or payment card transaction account shall be debited in EUR currency (euro). For conversion of foreign currency into currency EUR (euro), the Bank shall use exchange lists of the competent card's organizations, depending on the characteristics of the User of the payment services - for physical person (the consumer) or legal entity, when the user of payment services is – non-consumer, valid on the day of purchase / sale / conversion of currencies.

The course rate of the card's organizations under which the conversion of payment transactions has been carried out, resulting from payment card operations abroad where EUR/USD currencies as debit currency does not apply will be shown on the Client's transaction account and/or payment card transaction account as one of the details of the transaction.

## **16. COMMUNICATION - OBLIGATION OF INFORMING CLIENT**

All information related to these General Terms and Bank's Tariffs, Client can receive in the Bank's premises or become aware of the same on the Bank's website, and in particular based on the personal request for the delivery of the same.

On the balance of the transaction account and/or payment card transaction account, denied or unexecuted orders, charges on this account, amount, exchange rate and other information of the payment transaction, the Bank is required to inform the Client in writing minimum once a month, through an excerpt, without charging fees for such a notice sent. The same information, through the excerpt, the Bank makes available to Clients through the provision of electronic banking services, if the Client uses this type of Bank's services. It is considered that excerpt of transaction account and/or payment card transaction account is duly served to Client by the Bank if it is delivered in the Bank's premises, i.e. if it is duly delivered by providing electronic banking services, email, or if it was duly sent to the address specified by the Client. Any later, in addition to regular monthly notification on Client's request, the Bank can provide to Client with a fee set in Bank's Tariffs.

It is considered that the Bank has fulfilled the obligation to send notifications if it has sent them to the Client at the last known address to the Bank.

## **17. AMENDMENTS TO THE GENERAL TERMS**

The General Terms and Conditions may be amended in accordance with the Bank's procedure according to which they were adopted. The Bank is obliged to inform the Client about changes and / or amendments in one of the following ways:

- 1) in writing in the premises and / or organizational units (branch, branch office, counter, representative office abroad) of the Bank ("Bank premises")
- 2) by e-mail (e-mail address)

- 3) via E-banking (Electronic banking)
- 2)
  - 4) by referring to the Bank's website [www.zapadbanka.me](http://www.zapadbanka.me) ("website"), no later than 2 (two) months before their application.

If the User of the payment services up to the day of the application of made changes and / or amendments to the General Terms does not declare in writing on them, it will be considered that he/she agrees with them and accepts them in full. In case of not acceptance of the proposed modification and / or amendments by the User of payment service, up to the date of its application he/she can terminate the Agreement without paying fees. In the event that the User of the payment service decides to terminate the Agreement in accordance with the above mentioned, he/she is obliged to, at the latest one (1) day preceding the day of application of changes and / or amendments to the General Terms, inform the Bank in writing of the termination of the Agreement.

## **18. EXTRAJUDICIAL PROCEDURES AND ALTERNATIVE DISPUTE RESOLUTION**

If the Client believes that the Bank is not complying with the provisions of the Framework Agreement and/or the agreement of the individual transaction account and/or transaction account for the payment card or these General Terms and Conditions, they may lodge a complaint with the Bank regarding the specific event. The complaint must be submitted in writing to the Bank's headquarters address. The Bank is obliged to provide a response to the objections stated in the complaint to the Client - consumer within 8 (eight) days from the date of receipt of the complaint, on paper and/or via email ([prigovor@zapadbanka.me](mailto:prigovor@zapadbanka.me)). For Clients who are not consumers, the Bank is obliged to provide a response to the objections stated in the complaint within 15 (fifteen) days from the date of receipt of the complaint, on paper and/or via email. If the Bank fails to provide a response to the Client who is not a consumer within the aforementioned period of 15 (fifteen) days due to reasons beyond its control, it must notify the Client with an explanation of the reasons for the delay in responding to the complaint and set a deadline for providing the requested response, which must not exceed 30 (thirty) days from the date of receipt of the complaint.

After receiving a response to the complaint or in case of non-receipt of a response from the Bank, the Client may lodge a complaint with the Central Bank of Montenegro in writing. The Client may opt for alternative dispute resolution, in accordance with the positive regulations governing alternative dispute resolution and arbitration, and the Client - consumer in accordance with the positive regulations of Montenegro governing consumer protection. The body responsible for alternative dispute resolution, among others, is the Center for Alternative Dispute Resolution, located in Montenegro, 81000 Podgorica, Serdara Jola Piletića bb street, email: [centerzaars@centerzaars.me](mailto:centerzaars@centerzaars.me), contact phone: +382 20 206 350. The Bank is obliged to participate in the alternative dispute resolution or arbitration process initiated by the Client. The Client's right stated in this provision of the General Terms and Conditions does not affect their right to initiate legal proceedings, in accordance with the positive regulations of Montenegro.



## **19. EXCLUSION OF LIABILITY**

The responsibility of the Bank's inability to perform activities of issuance and use of card products in the case of objective disturbances is excluded. Objective difficulties are considered all events and / or actions that impede and / or prevent the performance of, and are caused by force majeure, war, riots, acts of terrorism, strikes, interruption of telecommunication connections, as well as all other events for which occurrence the Bank is not and can not be liable.

## **20. DATA TREATMENT**

Data the Bank may come to in the course of its business operations and that relate to Clients, including information about his/her personality, as well as the balance of payments and transactions and changes in the Client's transaction account and/or payment cards transaction account are banking i.e. business secret. The Bank, members of its bodies, employees and persons employed by the Bank will not disclose, submit or provide access to such information to third parties, except in cases stipulated by the applicable regulations. When collecting and processing personal data of the Client, the Bank is obliged to act in accordance with the law governing the protection of personal data. The Bank may collect and process personal data for the purpose of carrying out the regular business of the Bank in relation to the establishment of contractual relations, and forwarding the same in accordance with the provisions of the Banking Law and the Law on prevention of money laundering and terrorist financing, as well as for the prevention, investigation or detection of fraudulent acts or abuses in the payment system.

## **21. FINAL PROVISIONS**

Client is obliged to immediately, and no later than three (3) days from day of change occurrence, inform the Bank in written form of any changes of Client's personal data, data on authorized persons and other data relating to transaction account and/or payment cards transaction account or a specific additional service, if the Agreement does not provide a different term. The Bank is not liable for damage to Client or a third party that might incur for violating this obligation.

These General Terms are available on the website and at Bank's premises.

By signing the Agreement, Client confirms to be informed with these General Terms that he/she was given enough time to get familiar with its contents and that is in full compliance with them.

For contractual relations and communication between the Bank and Client before and during the contractual relationship, the Montenegrin language is used, unless the Bank and Client agree otherwise. These General Terms have been prepared in accordance with the applicable laws of Montenegro, which apply for their interpretation. All possible disputes between the Bank and the Client that could arise from the Framework Contract and these General Terms shall be settled by applying the law of Montenegro. In case of dispute, competent court is according to the Bank's headquarters.

For all that is not regulated by these General Terms, positive legal regulations, decisions and instructions of the competent authority, and acts of the Bank apply, with which the Client is informed

*General terms and conditions for issuing and using a payment card as a payment instrument in Zapad bank*

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before the conclusion of the Agreement, and that are available on the Bank's website: [www.zapadbanka.me](http://www.zapadbanka.me) and at Bank premises.

These General Rules come into force on the day of adoption and apply from May 29th, 2024. Upon the application of these General Rules, the General Rules adopted on February 07th, 2024, cease to be valid.