



CARD PRODUCTS TERMS AND CONDITIONS

Important:

Before you use your card, please read these terms and conditions carefully. By signing on the Card and/or using it you accept the terms and conditions set out below and will be bound by them.

1. Definitions

- 1.1. "Cardholder" means any individual who has signed the Card Application Form, which is approved by HSBC Bank Armenia cjsc and/or who has signed or used a Card.
- 1.2. "Bank" means HSBC Bank Armenia cjsc, its successors and assignees.
- 1.3. "Card" means, as appropriate, the credit or debit card issued by the Bank to a Cardholder.
- 1.4. "Card Account" means the account opened in the name of the Primary Cardholder and maintained by the Bank for the purpose of use of the Card as per the terms and conditions contained herein.
- 1.5. "Primary Cardholder" means the Cardholder in whose name the Card Account with the Bank is opened.
- 1.6. "Additional Cardholder" means an individual to whom a Card bearing that individual's name is issued at the request of Primary Cardholder.
- 1.7. "Statement" means a Bank generated monthly statement of the Card Account setting out transaction details, fees and financial liabilities (if any) on that date, of the Primary Cardholder and any Additional Cardholder(s) to the Bank in respect of the Card Account.
- 1.8. "Transaction" means any instruction given to Bank by a Cardholder using a Card directly or indirectly to effect action on the Card (examples of "Transaction" instructions could be a sales slip, a cash advance slip or a mail order coupon).
- 1.9. "Merchant establishment" means the establishment wherever located which honours the Card and may include amongst others stores, shops, restaurants, hotels, airline companies and mail order advertisers, including mail order outlets.
- 1.10. "you", "your", "him", "his", or similar pronouns mean the Cardholder.

2. Card usage

- 2.1. The Card is the property of the Bank and must be returned to the Bank on request by handing it to an authorised member of staff of the Bank at the registered office of the Bank or mailing to any of the Bank's branch offices.
- 2.2. You must sign the Card immediately upon receipt, must not permit any other person to use it and should safeguard the Card and Personal Identity Number (PIN) from misuse by retaining them under your personal control at all times.
The Card and PIN are issued to You entirely at Your risk, and the Bank shall bear no liability whatsoever for any loss/damage arising from the issue to You or use of the Card and PIN however caused unless the cause is the result of an act or error of the Bank.
- 2.3. You are requested to note that the Card is valid up to the last day of the month of the year indicated on the Card, if such a date is indicated. You hereby undertake to destroy the Card when it expires by cutting it into several pieces through the magnetic strip. Your renewed Card shall be sent to your recently updated statement delivery address before the expiry of the Card at the discretion of the Bank, upon evaluation of the conduct of your Card Account. The Bank reserves the sole right of renewing your Card.
Your renewed card will be destroyed after a month period if not collected from recently updated statement delivery address.
- 2.4. You must sign a sales slip, cash advance slip, or mail order coupon whenever the Card is used and should retain your copy. You may receive copies of the sales or cash advance slips from the Bank at an additional charge. Any sales, cash advance slip or mail order coupon not personally signed by you but which can be proved as being authorised by you, will be your liability.
- 2.5. The Card is acceptable at any Merchant establishment that displays Payment System logos available on your card. Whilst the Bank will not accept responsibility for any dealings you may have with the Merchant establishment, the Bank will try to assist you, wherever possible. For this you should notify the Bank of the complaint immediately along with supporting documents. Should you have any complaints concerning any Merchant establishment, the matter should be

resolved by you with the Merchant establishment and failure to do so would not relieve you from any obligations to the Bank.

2.6. The Bank accepts no responsibility for any surcharge levied by any Merchant establishment and debited to your Card Account with the transaction amount.

2.7. All charges for jewelry, electronic goods, cash and transactions incurred through any electronic media (including but not limited to Internet, interactive television) will be approved selectively at the Bank's discretion in the first six months of card membership.

2.8. You shall not use the Card for any illegal purposes.

2.9. Use of "secure payment" sites should be ensured when using your Card to pay for goods through any electronic media (including but not limited to the Internet, interactive television).

2.10. You will be responsible for all card facilities granted by the Bank in respect of the Card and for all related charges hereunder, notwithstanding the termination of your agreement with the Bank.

3. Billing

3.1. The Bank will maintain an account in respect of the Card ("the Card Account") to which the value of all purchases of goods or services, cash advances, fees, charges and payments effected by the use of the Card by the Primary Cardholder and any Additional Cardholder(s) will be posted. For posting a transaction made in a currency other than Card Account currency, the exchange rate as at the posting day will be used.

3.2. The Bank may assign a credit limit to the Card Account, which should not be exceeded at any time. You may, however, apply for a review of the Card's credit limit at any time after the first year of satisfactory card operation. Any change in the credit limit will be at the sole discretion of the Bank.

3.3. In the event of your exceeding the Card's credit limit, the Bank will be entitled to apply an overlimit fee, at the prevailing rate.

3.4. When the Card Account has an outstanding balance or where new transactions have been posted to the Card Account the Bank will generate a monthly itemised statement. This statement will provide details on:

- a) The Statement Date – the date on which the itemised statement is generated.
- b) The Closing Balance – the amount outstanding (if any) on the Card Account as at the Statement Date.
- c) The Minimum Payment Due – the minimum amount (if any) required to be paid by the Payment Due Date. This amount also includes the Overdue and Overlimit amounts, if any.
- d) The Payment Due Date — the date by the end of which the Minimum Payment Due must be received by the Bank.
- e) The Overlimit Amount – amount spent above the Card's limit. This amount is payable immediately.
- f) Overdue Amount - Minimum Payment Due outstanding from previous Statements. This amount is included as part of the current Minimum Payment Due and is payable immediately.
- g) other information required by the law.

3.5. If you do not receive your monthly statement it is your responsibility to contact the Bank and pay Minimum Payment Due before Payment Due Date.

3.6. A purchase and a subsequent credit for cancellation of goods/services are two separate Transactions. You must pay for the purchase transaction as it appears on the Statement to avoid the charging of any fee. The refund will only be credited to your Card Account (less cancellation charges) as and when received from the Merchant establishment. If the credit is not posted to your Card Account within 30 days from the date of refund, you must notify the Bank. It is also necessary that a copy of the credit note should be sent along with your notification to the Bank.

4. Payment

4.1. Payments made by Draft/payment instruction for clearance of Card dues must be drawn payable to the Bank to the favour of your Card Account. Such Drafts/payment instructions will be subject to an encashment/collection charge at the prevailing rate. Payment received by Cash/payment instructions/Drafts will be credited to the Card Account by the end of next working day following receipt of funds.

4.2. You may repay the statement Closing Balance wholly or partially (at least Minimum Payment Due mentioned on your statement). If the payment of the whole statement Closing Balance is received by the Bank on or before the Payment Due Date, no interest will be applied. However, all cash advances within the card limit will attract an interest at the rate mentioned in Tariff of Charges of the respective card product from the date of withdrawal until the entire outstandings (including Cash advance) are cleared in full and payment is posted to the Card Account.

4.3. In order to repay the statement Closing Balance You may credit the required amount directly to your Card Account or ensure the funds equal to the Closing Balance amount is available on your bank account held with the Bank before or on the Payment Due Date. The Bank will debit the Closing Balance amount from your bank account within two working days following the Payment Due Date.

4.4. If you make a payment to clear the whole of the statement Closing Balance after the Payment Due Date, or wish to avail of the extended credit facility and pay the Bank an amount less than the statement Closing Balance (but equal to or greater than the Minimum Payment Due) you must pay interest at the rate mentioned in Tariff of Charges of the respective card product. Such interest is calculated on all items making up that Statement Closing Balance, from the date such items are posted to the Card Account until full payment for them is applied to your Card Account. This charge will be debited on the next Statement Date.

4.5. If the Minimum Payment Due is not paid by the Payment Due Date, a late payment fee will be debited to the Card Account on the Statement Date. The Bank also reserves the right to levy default interest at the rate specified in Tariffs of the respective card product in case Minimum Payment Dues are not paid before the payment due date.

4.6. Irrespective of the currency of the Card Account the interest shall be paid in Armenian Drams (AMD). The interest is normally charged from the Card Account, and in case of a foreign currency Card Account, the Bank shall be entitled to convert the respective amount of foreign currency into AMD at the rate established by MasterCard International, Inc as at the debit date.

4.7. In case you wish to dispute any charge indicated in the statement, please advise details to the Bank within 30 days of the Statement date. After the lapse of 30 days, it will be construed that all charges are acceptable and in order. However, in exceptional circumstances the Bank may at its discretion accept any dispute on charges older than 30 days.

4.8. Duplicate statements will only be provided for up to the last six months on the Primary Cardholder's request and payment of the assessed fee as per the tariff sheet.

4.9. The Bank, without any specific communication, has the sole discretion to appoint agents for recovery of outstandings or initiate any other actions allowed by law for recovery of all monies owed to the Bank.

4.10. You are liable for all costs and legal expenses associated with collection of dues.

4.11. The Bank reserves the right at its sole discretion to decide the sequence of repayment of any principal, interest, charges, fees and other amounts owed to the Bank.

5. Charges and fees

5.1. All charges and fees will be debited to your Card Account in accordance with Bank's existing tariffs and are not refundable.

5.2. All cash advances attract handling fee at the prevailing rate. The charge will be debited to the Card Account at the time of posting of the cash advance. Cash advances withdrawn from card limit will also be subject to an interest calculation. The interest will be debited to the Card Account on the Statement Date.

5.3. All transactions will be billed in the statement in the Card Account currency.

All the fees and charges defined under the Tariffs of Charges and reflected in the statement will be levied in Armenian Drams (AMD).

The fees and charges defined under the Tariffs of Charges are normally charged from the card account, and in case of foreign currency card accounts the Bank shall be entitled to convert the respective amount of the foreign currency into AMD at the Central Bank's accounting rate or the Bank's exchange rate and only after that apply the respective charge.

6. Disclosure of information

6.1. When requested by the Bank, you shall provide any information relating to any matters that the Bank deems necessary. You will also authorise the Bank to verify the information furnished by whatever means or from whichever source the Bank deems necessary. If the data is not provided or incorrect data is provided, the Bank, at its discretion, may refuse renewal of the Card or cancel the Card forthwith and demand payment of all outstandings on the Card Account.

6.2. You expressly recognise and accept that the Bank shall be absolutely entitled and have full power and authority to sell, transfer or assign any or all outstandings and dues on your Card Account to any third party at the Bank's choice and written intimation by the Bank to you of any such action shall bind you to accept any such third party as the Creditor and to pay over such outstandings and dues to the third party relieving you of any such obligation to the Bank. Any costs in this regard shall be debited to the Card Account.

6.3. The existence of the Card Account and details of any default that may occur, may, without obtaining any further oral or written consent from you, be recorded with the loan register and may be shared with other lenders (other banks, financial institutions and other similar organisations) for the purposes of assessing credit applications in future for you and members of your household, and for occasional debt tracing and fraud prevention.

You hereby authorize the Bank to provide at its sole discretion and without prior notice to You in accordance with the legislation of RoA to other banks and credit companies, Deposit Insurance Fund any information at the latter's demand or at its own initiative, including bank references, concerning any and all bank accounts of the Customer with the Bank. The Bank shall be entitled for the purpose of data processing to provide to other banks and organizations as required by the legislation of RoA any information which became known to the latter in respect of rendering of services to You and the Bank shall be liable for any breach of such legislative requirements.

According to Bank's principles, internal regulations and Law of RoA on Prevention of Money Laundering and Terrorism Financing the circulation of proceeds of criminal activity through banks is forbidden. In view of the above provisions of the Law and pursuant to requirements of money laundering legislation/regulations and internationally accepted practice, where any suspicions arise the Bank reserves the right to make any inquiry at its sole discretion on the source of any funds credited to, being credited by You or available with the Bank. Respectively, the Bank may request to submit sufficient evidences of the lawful origin of funds. The Bank shall be entitled to block the questioned funds and/or suspend the transactions during such time until presentation of sufficient evidence. You agree to indemnify the Bank against any losses and claims in connection with the above. You acknowledge and agree that the Bank, within the scope of the legislation of RoA, is obliged to comply with the requirements of the laws, other legal acts of the respective countries and those of law-enforcement bodies which, among other things, refer to the prevention of terrorism and criminal activity financing. Neither the Bank, nor any other company acting as a partner of the Bank, is liable for the loss incurred by any person (irrespective of whether such loss is direct or indirect, including the loss of anticipated income or interest payment) if such loss resulted fully or partially from fulfillment of such requirements.

7. Lost Card

7.1. In the event the Card is lost, you must report the occurrence to the Bank or ArCa Processing Centre. Although loss may be reported by any means, you must confirm to the Bank in writing.

7.2. Your liability for all transactions incurred on the Card subsequent to providing a written confirmation of loss is restricted to an amount applicable from time to time and as advised in the Bank's tariff sheet.

7.3. Should the Bank receive transactions after the Card has been lost but before receipt of your written confirmation, you are liable for such amounts debited to the Card Account. You hereby undertake to indemnify the Bank fully against any liability, loss, cost, expenses or damages that may arise due to loss or misuse of the Card, in the event that it is lost and not reported to the Bank or lost and misused before the Bank is informed.

7.4. Provided you have in all respects complied with these terms, a replacement Card may be issued at the sole discretion of the Bank at the applicable fee.

7.5. Should you subsequently recover the Card, the recovered Card must not be used without approval of the Bank.

8. Additional Cards

8.1. The Primary Cardholder may request the Bank to issue additional Card(s) to Additional Cardholder(s) for operation on the Card Account.

8.2. The Primary Cardholder acknowledges that the credit limit approved on the Card Account is to cover all transactions whether initiated by himself or any of the Additional Cardholder(s).

8.3. The Primary Cardholder holds the Bank indemnified for liability for all transactions, fees, costs and any other charges outstanding on the Card Account at any time including transactions initiated by Additional Cardholder(s).

8.4. The Primary Cardholder acknowledges that renewal Card(s) may be issued to Additional Cardholder(s) upon expiry without prior notice to the Primary Cardholder.

8.5. The Primary Cardholder undertakes to validate transactions with the Additional Cardholder(s) since no separate statement is provided to the Additional Cardholder(s).

8.6. The Primary Cardholder may cancel the additional Card(s) by written notice to the Bank.

8.7. The Additional Cardholder(s) undertakes to inform the Bank in the event of death, incapacity, insolvency or bankruptcy (or other analogous event or proceedings) of the Primary Cardholder. The Additional Cardholder(s) further undertakes to stop use of the Card on receiving information of the death of the Primary Cardholder.

8.8. In the event of death, incapacity, insolvency or bankruptcy (or other analogous event or proceedings) of the Primary Cardholder the Additional Cardholder(s) are jointly liable for all debit outstandings incurred on the Card Account.

9. Legislation and disputes

9.1. This Agreement will be governed by legislation of the Republic of Armenia.

Any relations with respect to the terms contained herein and not regulated under these Terms and Conditions will be subject to the legislation of RoA and where no respective provisions are stipulated under the legislation – by business practice. All disputes are subject to the jurisdiction of the courts of the Republic of Armenia.

The Armenian version of the Terms and Conditions prevails over its English version.

10. Miscellaneous

10.1 The Bank may, without notice, combine the outstanding balance on the Card Account with any other accounts which the Primary Cardholder maintains with the Bank and set-off or transfer any money outstanding to the credit of such other accounts in or towards the satisfaction of the Primary Cardholder's liability in respect of the Card Account.

Where no sufficient funds are available on the repayment account which has been selected by the Primary cardholder the Bank shall be entitled to debit Primary Cardholder's other account(s) to set-off the amount of the outstanding balance on the Card Account . If such an amount is in different than Card Account's currency, Bank is entitled for debiting purpose to conduct foreign exchange transaction at transaction day's prevailing exchange rate.

10.2. You will be allowed to transfer funds from your bank account held with the Bank to your Card Account by issuing payment instructions through calling the telephone number provided by the Bank. You acknowledge that the Bank will process the payment instructions received in such way after conducting proper identification of the person issuing the instructions by verifying the password mentioned in your Card application. You agree that the Bank will not bear any liability for and hereby waive any right to claim from the Bank the recovery of losses incurred by You as a result of unauthorized use of the password mentioned in your Card application by third parties.

10.3. You will promptly notify the Bank in writing of any changes in your employment and/or office and/or residential address and telephone numbers as well as any other information mentioned in the Card Application Form.

10.4. The Bank reserves the right to revise policies, features and benefits offered on the Card, as well as alter this agreement, tariffs (inclusive of interest rates) from time to time and notify you on that in the manner agreed by you and the Bank. You will be bound by such alterations unless the Card is returned to the Bank for cancellation before the date from which such alterations take effect.

10.5. You acknowledge that the Bank is not responsible for any of the services provided by third parties.

10.6. Where any suspicions arise as to the authenticity of Powers of Attorney (including those certified by the Notary) issued by You in favour of third parties for transacting on Your Card Account, the Bank shall be entitled to send such Powers of Attorney to the respective authorized body for expertise to prove their authenticity and the Bank shall bear no liability for any loss incurred by You due to delays caused by such actions.

10.7. Where any suspicions arise as to the authenticity of any documents presented to the Bank for transacting on Your Card Account, the Bank shall bear no liability for any loss incurred by You due to delays caused by such actions.

11. Termination

11.1. The Primary Cardholder may terminate the agreement with the Bank at any time by written notice to the Bank accompanied by the return of the Card and Card(s) of any Additional Cardholder(s) cut into several pieces and full clearance of all the outstanding. The Primary Cardholder or an Additional Cardholder may terminate the agreement (in so far as it relates to the use of the additional Card) by written notice to the Bank.

11.2. The Bank may terminate the agreement at any time by canceling the Card with or without assigning any reason. You are obliged to destroy the Card by cutting it into several pieces through the magnetic strip.

11.3. Communications shall be made at last address/details advised by you to the Bank.

11.4. The whole of the outstanding balance on the Card Account, together with the amount of any outstanding card transactions effected but not yet charged to the Card Account, will become immediately due and payable in full to the Bank on termination of the agreement for whatever reasons or on death, incapacity, insolvency or bankruptcy (or other analogous, event or proceedings) of the Cardholder. The Bank will become entitled to recover the outstanding dues together with all expenses, legal fees, charges and interest from the successors of the Cardholder on his death without prejudice to its rights to continue to charge the interests and other charges till the dues are settled.

11.5 Any new transactions presented to Card Account within 45 days after card closure will become immediately due and payable in full to the Bank.

12. Additional provisions

12.1. For MaterCard and ArCa Cardholders 24 hour Hot Line service is available (the respective phone number is displayed on the back side of the card).

12.2. For prompt activation of the amounts credited to Card Account MasterCard / ArCa Cardholders can call the Hot Line, for which a fee set by MasterCard / ArCa Tariff of Charges will be applied. The fee will be debited from Cardholder's Card Account.

12.3. Along with certain card products the Bank may from time to time at its own expense purchase for Cardholders insurance policies and You hereby authorize the Bank for the purpose of acquiring the mentioned insurance policies to provide your personal details (name, surname, date of birth, address, passport details) to insurance companies cooperating with the Bank.