

## Cardholder Agreement

### Introduction

This Cardholder Agreement and any other documents incorporated by reference thereto, lays down the terms and conditions, governing the issuance and use of your Account and Card and any other associated services provided to you by **Paynetics AD** (further details of which are set out below) ("**Paynetics**", "**we**" "**us**", "**our**") hereunder.

This Cardholder Agreement constitutes a legal contract between you and Paynetics. It contains important information that may affect your rights, use of any of our services and your ability to recover your money. Please read all of the documents forming part of this Agreement carefully and keep a copy or download a copy of them for your records and future reference.

You can request a copy of this Cardholder Agreement together with the applicable fees at any time throughout its duration by contacting the Customer Relations Centre or via the Website (details of which are provided herein below).

By submitting your order, for opening an Account and issuing a Card, to Paynetics you confirm that you have read and accept this Cardholder Agreement.

You should read this Cardholder Agreement alongside the Privacy Policy of Paynetics which you can view here (<https://www.paynetics.digital/privacy-and-security-policy/>). Our Privacy Policy (as it may be amended from time to time in accordance with its terms), together with this Cardholder Agreement, describes the basis upon which any personal data we collect about you, either directly or from our authorized partners or that you provide to us or them, will be processed, handled and shared by us.

The services described in this Cardholder Agreement are made accessible to you through the software module branded "Mercuryo" (the "Mercuryo Widget"), operated by MoneySail d.o.o. ("Mercuryo"), further details of which are set out below.

### 1. Definitions

**"Account"** means your payment account(s) opened and maintained by Paynetics in your name, denominated in EUR and/or GBP, to which a respective Card in EUR or GBP is linked. The Accounts opened under this Agreement have limited functionalities – they can be used for loading of funds onto Cards, recording Payment Transactions and enabling usage of the Cards. The Accounts do not allow execution of incoming or outgoing credit transfers to third parties or to other payment accounts owned by you;

**"Agreement"** means the present Cardholder Agreement, together with any other documents incorporated by reference thereto, which governs the issuance and use of your Account and Card and any other associated services provided to you by Paynetics AD;

**"ATM"** means an automated teller machine that can be used for Cash Withdrawals using a Card, and sometimes for other payment and non-Payment Transactions;

**"Block Your Card"** means a discontinuation of the Card service by Paynetics resulting in you being unable to use your Card. Paynetics shall keep a record of blocked Cards;

**"Business Day"** means a day (excluding Saturdays and Sundays) on which the banks in the Republic of Bulgaria generally are open in for normal business;

**"Card"** means the physical and/or virtual Mastercard® card in EUR or GBP, issued to you by Paynetics under this Cardholder Agreement and linked to your respective Account in EUR or GBP;

**"Card Organisation"** means 'MasterCard';

**"Card Payment"** means making a payment to a merchant (either in person or online) using your Card;

**"Cash Withdrawal"** means withdrawing cash using one of your Cards at an ATM;

**"Competent Authority"** means a body acting in accordance with defined statutory functions and exercising public authority and public power for the purposes of payment services, electronic money, or other financial regulation, including the Bulgarian National Bank ("BNB") and the European Banking Authority ("EBA");

**"Customer Relations Centre"** means the customer relations centre run by Mercuryo on our behalf, further details of which are set out in clause 19;

**"CVC2"** shall mean a three-digit code or password for secure internet payments issued for each Card. CVC2 is a strictly personalised code for access to funds available on the Card, which is entered using a Virtual POS Terminal. Each CVC2 entry using a Virtual POS Terminal serves to prove the identity of the relevant cardholder;

**"Deactivate Your Card"** shall mean the final discontinuation of the Card service by Paynetics;

**"KYC Procedure"** means an identity verification procedure that requires at least provision of a valid passport / ID card and bank statement or other identification document, as well as a selfie of the person, together with the presented identity document in real time, as well as any other documents or information required under the law or Paynetics' procedures for compliance with the applicable anti-money laundering and counter-terrorist measures legislation.

**"Limits"** shall mean the limits that apply to your Account, Card and Payment Transactions, which are part of this Agreement and are listed in the "Tariff", available on the Website and in the Mercuryo Widget;

**"MasterCard"** means MasterCard International Incorporated or its successors;

**"Mercuryo"** means **Moneysail limited liability company for trade and services**, a limited liability company incorporated and existing under the laws of Croatia, with seat and registered office address at: 4 Zagreb, Trg Drage Iblera 10, registered in the Commercial court of Croatia under company number 53104623333, which is the operator that performs certain technical and operational functions in relation to our services, including the operation of Mercuryo Widget, which connects you with Paynetics. Mercuryo is entered into the register under art. 19 of the PSPSA, kept by the BNB as an agent of Paynetics AD. Mercuryo holds a registration with the Croatian Financial Services Supervisory Authority as a virtual assets services provides (VASP) for the following services: (i) custody and administration of virtual assets; and (ii) exchange of virtual assets for fiat currency that is legal tender. Mercuryo is in the process of obtaining a license for crypto-assets services provider (CASP) under Regulation (EU) 2023/1114 on markets in crypto-assets which will enable Mercuryo to provide (i) custody and administration of crypto assets; and (ii) exchange of crypto assets for fiat currency that is legal tender. Mercuryo is providing you with services on custody and administration of virtual assets and exchange of virtual assets for fiat currency that is legal tender, in accordance with their registration as a VASP. Mercuryo is not a party to this Agreement;

**"Mercuryo Terms"** means the terms and conditions between Mercuryo and you, governing the provision of services to you by Mercuryo, namely custody and administration of virtual assets and exchange of virtual assets for fiat currency that is legal tender. Mercuryo Terms is a separate legal document which sets out the terms and conditions under which Mercuryo provides you with services and does not form part of this Agreement;

**"Mercuryo Widget"** means a software component which is provided, supported and developed by Mercuryo and is embedded into a third-party software. Mercuryo Widget provides you access to Paynetics` payment services subject matter of this Agreement. The Mercuryo Widget is accessible from web-based or mobile applications of third parties who provide non-custodial wallet services and who concluded a contract with Mercuryo. Paynetics does not have any contractual relationship with such third parties and is not responsible neither for maintenance of their web-based or mobile applications nor for the provision of their services;

**"Payment Transaction"** means both a Card Payment and a Cash Withdrawal;

**"Paynetics", "we", "us", "our"** means Paynetics AD, being a company incorporated in the Republic of Bulgaria under registration number 131574695 and having its registered office at 76A James Bourchier Bldv., 1407 Sofia, Bulgaria. Paynetics is an e-money institution licensed and supervised by the BNB (to issue electronic money and provide payment services in accordance with the Payment Services Directive 2015/2366 ("**PSD2**"), the E-Money Directive 2009/110 ("**EMD**") and the Bulgarian Payment Services and Payment Systems Act ("**PSPSA**"). Paynetics, in exercise of its passport rights, may issue, distribute, and redeem electronic money, issue payment instruments, open and operate payment accounts and execute payment transactions for clients in the European Economic Area ("**EEA**");

**"Paynetics Website"** means [www.paynetics.digital](http://www.paynetics.digital);

**"PIN"** shall mean a unique four-digit personal identification number, which can be used to authorize Payment Transactions;

**"POS Terminal"** shall mean a device where the Card is used to pay for the purchase of goods or services in commercial premises;

**"Privacy Policy"** means Paynetics privacy policy which you can view here (<https://www.paynetics.digital/privacy-and-security-policy/>) and which, together with this Agreement, describes the basis upon which any personal data we collect from you, either directly or from our authorised partners or that you provide to us or them, will be processed, handled and shared by us, as may be amended from time to time in accordance with its terms and as further explained and defined in this Agreement;

**"Prohibited Transaction"** means any of the transactions or activities which are listed below or set out in the Mercury Widget and on the Website as these may be amended by us at any time:

1. Any sales of 'pyramid' type, Ponzi schemes or similar marketing or matrix programs or other schemes for 'quick enrichment' or high-yield investment programs;
2. Sale, supply or purchase of illegal items or items promoting or facilitating illegal activities;
3. Sale, supply or purchase of counterfeit products or products infringing intellectual property rights;
4. Products or services for the processing or aggregation of payments by third parties;
5. Money laundering;
6. Terrorism financing or propaganda;
7. Pornography, escort services and selling and/ or advertising sexual services;
8. Using the Card or the Account in a manner and/or for purposes that violate any applicable law and/or regulations of the Card Organisation;

**"Rules and Regulations"** means any rules and regulations applicable to the services provided under this Agreement, including, without limitation, the PSPSA, PSD2, EMD, any rules of Mastercard and any other rules and regulations;

**"Tariff"** means the fees and limits applicable to your Card and any other services provided to you under this Agreement. The Tariff, as amended from time to time, is available on the Website and Mercury Widget;

**"Website"** means the website of Mercury which is accessible at <https://mercury.io>;

**"Virtual POS Terminal"** shall mean a logically defined POS Terminal device by which payment of goods and services are performed via the Internet; and

**“you”** means you, being a natural person who is a client of Mercuryo and (i) has successfully passed Paynetics` KYC Procedures, (ii) submitted a request to Paynetics for the issuance of an Account and a Card; (iii) was approved by Paynetics and (iv) has read and accepted the present Agreement which governs the terms and conditions under which Paynetics provides its payment services outlined herein.

## **2. About our Services**

**2.1.** When this Agreement becomes effective, Paynetics will set up, upon your request, and maintain an Account in EUR and/or an Account in GBP, and one or more Cards in EUR or GBP, associated to the respective Account in EUR or GBP.

**2.2.** Your Account is maintained by Paynetics and the Card is issued to you by Paynetics. Paynetics is not a bank and your Account is not a bank account. The funds available in your Account are not deposits. No interest will accrue on the balance of your Account. Your Card is a payment instrument linked to your Account, it is not a credit or charge card.

**2.3.** Before we provide any of our services to you, we must successfully verify your identity. To that end, and by accepting the present Agreement you expressly consent that we be provided, by Mercuryo, with the identification data and documents you have presented to Mercuryo. You additionally agree that we may request additional information at any time to verify your identity. We may ask Mercuryo to facilitate such requests on our behalf. Failure by you to provide us with information we request or us being unsatisfied with this information will enable us to Block Your Accounts and Cards or to terminate this Agreement.

**2.4.** A Payment Transaction will only be successful if you have enough funds to cover the Payment Transaction. The Account can only be loaded by means of an incoming credit transfer, whereby Mercuryo is the payer (sender) and you are the payee (beneficiary), with funds which are owed to you by Mercuryo under Mercuryo Terms for exchange of virtual assets for fiat currency which is legal tender. The Account is not enabled and allowed for executing outgoing credit transfers to payment accounts opened with Paynetics or any other payment service providers. Then, the funds available in your Account can be spent by you using the Card issued to you under this Agreement.

**2.5.** This Agreement will only become effective once you receive a confirmation that Paynetics has approved your request for issuance of an Account. Paynetics will not be obliged to provide any of the services under this Agreement before such confirmation is provided. Paynetics may refuse to approve any request/application and/or enter into an agreement for its services for any reason, as specified in this Agreement.

**2.6.** To be eligible for our Account and Card services, you: (a) must be 18 years of age or over, (b) must be capable of contracting, (c) must be a citizen of a country – member of the EEA or of a third country, but having a lawful status of a resident of a country – member of the EEA, (d) must have passed all our identification procedures and checks, (e) must not have been a payment services user of Paynetics`  
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services whose agreement with Paynetics has been terminated by us for violation, (f) must be a client of Mercuryo. We can stop providing our services to you at any time or terminate this Agreement, if we find out that you are not eligible for our services or the information you have provided to us to become our client or during the term of this Agreement, is false.

**2.7.** The Account and Card are issued to individuals only. You may only use your Account and Card personally and do not have the right to transfer their use to anyone else. In case you allow access to or provide any other means to use your Account or Card to any other person, you will bear full responsibility for all payments initiated by them.

**2.8.** You must not use your Account or Card for or in relation to (including sending or receiving proceeds from):

**2.8.1.** Any activities which do not comply with any applicable laws or regulations, including but not limited to laws relating to money laundering, fraud, financial services or consumer protection;

**2.8.2.** Any Prohibited Transaction under this Agreement; or

**2.8.3.** Any commercial or business purposes.

**2.9.** Paynetics neither participates in nor bears any relation to the administration of virtual asset services and the exchange of virtual assets for fiat currency. These services are provided to you exclusively by Mercuryo, under the Mercuryo Terms and independently of Paynetics. Mercuryo solely determines exchange rates applicable to the conversion of virtual assets for fiat currency and executes your orders for exchange of virtual assets for fiat currency that is legal tender. Consequently, Paynetics provides no warranties regarding the legality, security or any other aspect of the services, provided to you by Mercuryo under the Mercuryo Terms, or regarding the operations related thereto. Paynetics assumes no responsibility for virtual assets administration, applied by Mercuryo exchange rates, fulfilment of orders for exchange of virtual assets for fiat currency, violation of Mercuryo Terms, or for any damages, costs, or losses arising for you from your contractual relationship with Mercuryo. Should you have any objections, complaints or claims with regard to the services provided to you by Mercuryo, you should direct any such objections, complaints, or claims to Mercuryo, not to Paynetics.

**2.10.** Further, Paynetics does not have any contractual relationship with any partners of Mercuryo who might provide you with non-custodial wallet services, which enable you to generate, store, and use cryptographic private keys on your own device or infrastructure. Paynetics neither participates in nor bears any relation to such services which may be provided to you by third parties. Therefore, Paynetics provides no warranties regarding the legality, security, any operations or any other aspect related to such services, including but not limited to non-custodial wallet services, which are provided to you by any partner of Mercuryo. Paynetics assumes no responsibility for the legality, security and performance of such services, including but not limited to non-custodial wallet services, or for any damages, costs, or losses arising for you from the use of such services. Should you have any objections, complaints or claims with regard to such services, including but not limited to non-custodial wallet services, you

should direct any such objections, complaints, or claims to Mercuryo's partner who provided you with the services, not to Paynetics.

### **3. Limits**

Limits may apply to your Account and Card, such as limits on minimum load payments to your Account, the maximum balance that can be held on your Account and Card, the value of individual Payment Transaction or an aggregate value or number of payments in a particular time period. The applicable limits are as set out in the Tariff and may be changed by us from time to time. To manage our risk, particularly with respect to money laundering, fraud, or security concerns, we may also apply internal controls, including limits, to certain types of transactions from time to time but for security purposes, we may be prohibited from disclosing them.

### **4. Loading funds to your Account**

**4.1.** Your Account with Paynetics can only be loaded by incoming credit transfer, whereby Mercuryo is the sender, with fiat money owed to you by Mercuryo for exchange of virtual assets under Mercuryo Terms. Your Account cannot be loaded by incoming credit transfers whereby third parties (except for Mercuryo) or you are the sender. Your Account is not allowed and enabled for placing outgoing credit transfers to third parties beneficiaries or to payment accounts in your name with Paynetics or another payment services provider.

**4.2.** The monetary values stored as a balance on the Account should never exceed the limits set out in the Tariff, if applicable.

**4.3.** Paynetics may refuse to credit your Account with the respective monetary value if:

**4.3.1.** Your Account or any payment breaches any of the limits as set out in the Tariff;

**4.3.2.** Your Account or the Card issued to you by Paynetics is inactive, blocked or terminated;

**4.3.3.** Mercuryo has provided incorrect/invalid details for the transfer;

**4.3.4.** Paynetics believes the payment is fraudulent, illegal or unauthorised;

**4.3.5.** Paynetics believes the payment is outside the scope described in clause 4.1. above;

**4.3.6.** Paynetics believes the payment is related to a Prohibited Transaction.

**4.4.** If the incoming credit transfer to your Account is refused for any of the reasons set out above, the funds may be sent back to the sender without prior notice to you.



## **5. Description of the Card**

**5.1.** Your Card is issued to you by Paynetics. Your Card is linked to your Account maintained by Paynetics and is denominated in the currency of the respective Account it is associated with, i.e., in EUR or GBP.

**5.2.** The Card is issued under the MasterCard brand pursuant to a license granted by MasterCard International.

**5.3.** Unless specified otherwise in this Agreement, your Card can be used to pay merchants for goods or services (whether in-store, online or over the phone) and for Cash Withdrawals at ATMs. If you have been issued with a virtual Card, it can only be used for Card Payments. Your Card can be used at all card acceptance terminal devices bearing the MasterCard logo which maintain the necessary functions.

**5.4.** Card Payments will be executed upon Paynetics receiving confirmation that you have enough available funds to execute the Card Payment.

**5.5.** The value of all Card Payments, including all applicable fees, will be deducted from your relevant Account and also reflected as Card withdrawals in your Account balance. They will also be visible in the periodic electronic statements provided by Mercuryo on our behalf.

**5.6.** You will be responsible for all goods or services purchased with the Card. Any dispute with a merchant about a product or service purchased with the Card will be considered a dispute between you and the merchant and should be addressed directly to that merchant. Paynetics does not accept any responsibility or liability for the quality, safety, legality, or any other aspect relating to and does not provide any warranties regarding such goods or services purchased with the Card.

**5.7.** Paynetics will not be liable if a merchant refuses to accept a Card or if Paynetics has refused to execute a Payment Transaction in accordance with this Agreement.

**5.8.** The Card is property of Paynetics as a card issuer and cannot be transferred and/or made available to anyone else.

## **6. Card issuance, activation and replacement**

**6.1.** Each Card has a validity period within which you may use the Card. If your Card is physical, it will expire on the last day of the month/year indicated on its front. If your Card is virtual, it will expire on the last day of the month/year indicated on the Mercuryo Widget or on the expiry date sent to you by e-mail. All Card Payments initiated after the expiration or cancellation of the Card will not be authorized or executed.

**6.2.** Paynetics will issue the Card within 10 Business Days of your application being accepted and, if the Card is not virtual, we will post the Card to you. If your Card is virtual, the Card will be made available to you via the Mercuryo Widget immediately after your application is approved by Paynetics.



**6.3.** The physical Card will be delivered to you and you may be required to produce an ID document to collect it. You must sign on the signature strip on the reverse side of the physical Card immediately after receiving it.

**6.4.** You will be provided with a PIN to use with your Card. You can change your PIN at an ATM. You should memorize your PIN and then destroy the media on which it is recorded. You have important obligations to keep your security details such as PIN safe (see clause 11.2 below).

**6.5.** You may request Paynetics to issue a new Card in the following cases:

**6.5.1.** In case of destruction or damage to the Card;

**6.5.2.** In case of loss, theft or other misappropriation of the Card;

**6.5.3.** In case of a forgotten PIN, and

**6.5.4.** Upon expiry of your Card's validity period. If your Card expires, it will only be automatically replaced if your Card was used within the last two months before its expiry date.

**6.6.** If your Card is replaced because it was lost or damaged, or in case of a forgotten PIN or upon expiry of your Card's validity period, you may be charged a replacement fee (see Tariff) which will be deducted from the balance on your Account. If your Card has been reported stolen or misappropriated, you may be charged a fee that is directly related to the cost of replacement (see Tariff). If your Card has been reported lost, stolen, or misappropriated but later is found, then you should immediately inform Paynetics about it and destroy the Card.

**6.7.** When you receive the Card, it will be inactive. You have to activate the Card before using it, otherwise, any Card Payments attempted by you will be rejected. The Card can be activated on the Mercury Widget by following the instructions for activation provided to you.

## **7. Giving instructions for payment transactions**

**7.1.** You will be able to make Payment Transactions only if you have sufficient available funds in your Account to which the Card is linked. You can check the amount of your available funds in your Account using the Mercury Widget. If the amount of any Payment Transaction, together with any applicable and payable to us fees, exceeds the available funds, then it will be declined. Notwithstanding the foregoing, in case of negative balance on the Card clause 9.1. below will apply.

**7.2.** You give us an instruction and consent to a Payment Transaction being executed using any one of the following methods:

**7.2.1.** In case of Cash Withdrawal from an ATM: by entering a PIN;

**7.2.2.** In case of payment for goods or services in-store: by entering a PIN and/or signature on the receipt or by tapping/waving the Card (or a device where it is held) over a card reader for contactless payments;

**7.2.3.** In case of Virtual POS Terminal operations (purchases of goods and services on the Internet, e-commerce transactions on 3D secure merchants' websites): by entering the Card details (unique number, cardholder's name, validity term and CVC2/CVV2 code) and by confirming the payment order as follows: you will receive a notification about the purchase on your mobile phone device (something that you possess), in order to see it you should access the Mercury Widget by entering your PIN (something that you know) or placing your fingerprint or using another biometric method for identification and authentication as might be applicable (something that you are), then you should confirm the payment order by selecting the notification and entering your PIN (something that you know) or placing your fingerprint or using another biometric method for identification and authentication as might be applicable (something that you are).

**7.3.** Your consent for a Card Payment may cover a single payment or a series of recurring payments on a Card (such as where you give your Card details to a merchant to be used for Card Payments in the future) for a set or variable amount.

**7.4.** Merchants in certain business sectors (e.g. car rental companies, hotels and other service providers) estimate the amount of the final Card Payment to them and require to "pre-authorise" or withhold the estimated amount on the Card. Sometimes, that withheld amount may exceed the final amount spent. In such cases, the initially withheld funds will not be available to you for up to 15 days until the final Card Payment request is received by us or released by the merchant. Paynetics may release such amounts only with the merchant's consent.

**7.5.** You are responsible for providing correct and accurate instructions for the execution of a Payment Transaction. If the instructions provided by you are incorrect, inaccurate, or incomplete, Paynetics will not be liable for errors or inaccuracies in the Payment Transaction. If a Payment Transaction is carried out in accordance with the instructions provided by you, it will be deemed to have been correctly executed.

## **8. Fees**

**8.1.** Fees that apply to your Account, Card and associated services and/or Payment Transactions are as set out in the Tariff. All fees will be deducted from the relevant Account and reflected in the periodic electronic statements, made available by Mercury.

**8.2.** Paynetics reserves the right to change the applicable fees in accordance with this Agreement (see further clause 13). Changes in the reference exchange rate for Payment Transactions will apply immediately without prior notice.

**8.3.** If a Payment Transaction using a Card is in a currency other than the currency of the Account from which it is taken, then the amount deducted will be the amount of the Payment Transaction converted to the currency of the Account using the reference exchange rate applied by MasterCard® (available at <https://www.mastercard.co.uk/en-gb/personal/get-support/convert-currency.html>). The Cardholder Agreement\_v.1\_dated [ ]

exchange rate shall be determined on the date of the Payment Transaction. The exchange rate is not set by Paynetics and varies throughout the day meaning it may change between the date the Payment Transaction is executed and the date it is processed. You can find information on the total currency conversion charges applicable with respect to Card Payments, expressed as a percentage mark up over the reference exchange rate in the Mercuryo Widget.

## **9. Negative balance**

**9.1.** If any action results in a negative balance in your Account, Paynetics may charge the amount of the negative balance against the funds on any other accounts held by you with Paynetics, if any, or against any subsequently funds that you receive onto your Account. Paynetics may suspend your Accounts and Cards until it is reimbursed for the negative balance in full. In addition, Paynetics may take legal action against you to recover such amount.

## **10. Communication procedure**

**10.1.** The Agreement is executed in English and all communications between you and us will be in English, unless expressly agreed otherwise in this Agreement. If you are reading a non- English version, please note that this is provided for reference only and the English version is the version which applies.

**10.2.** We can communicate with you (including to provide any information or notifications in relation to this Agreement) using any of the following methods:

**10.2.1.** Via the Mercuryo Widget;

**10.2.2.** By email;

**10.2.3.** By phone (including by sending you an SMS); and

**10.2.4.** By writing to your home address.

We will let you know if any of these communication methods become unavailable. We will also inform you if you need any technical requirements or software to communicate with us.

**10.3.** We will use the contact information you have most recently given us or Mercuryo to communicate with you in relation to the services under this Agreement. If any of your contact details change, you must inform Paynetics about it as soon as possible by updating your details on the Mercuryo Widget or contacting the Customer Relations Centre. All notifications, invitations or other notices sent to your email address noted on the Mercuryo Widget will be deemed to have been successfully delivered.

**10.4.** In the first instance of a problem, you should contact the Customer Relations Centre.

**10.5.** Paynetics will provide information about your Account and Payment Transactions and fees on a monthly and annual basis by means of electronic statements which will be accessible on the Mercuryo

Widget and/or sent to you by email. You should carefully review your Account and Payment Transaction information regularly. Your statements will remain available for a minimum of 1 year on the Mercury Widget for you to access them. You may wish to download or print your statements for your future reference.

## **11. Security measures**

**11.1.** You must use your Account and Card in accordance with the terms and conditions set out in this Agreement. You have important obligations to do everything you reasonably can to keep your Account and Card safe and to notify Paynetics of any loss, theft, misappropriation or unauthorized use of the Card or Account immediately after becoming aware of it as further described below.

### **Your obligations to keep your Account and Card safe**

**11.2.** You will be provided with or will be able to set up certain security details (such as your PIN and any password, passcode or other login details) which can be used to execute Payment Transactions with your Card. You must:

**11.2.1.** Take all reasonable measures to keep your Account, Card and security details safe;

**11.2.2.** Not write down any of your security details (such as PIN or password or passcode or other login details) unless it is done in a way to make it difficult for anyone else to recognize them;

**11.2.3.** Not record security details such as PIN on the Card or keep such information together with the Card;

**11.2.4.** Not disclose to and/or allow anyone else to use in any manner whatsoever your security details such as user identifiers, passwords or PINs;

**11.2.5.** Keep your Card and any personal devices (mobile phones, computers, tablets) that can be used to access your Account, Card or security details secure and not let anyone else use them to execute Payment Transactions;

**11.2.6.** Not choose security details such as PIN or password to access your Account or Card that is easy for someone to guess such as letters or digits that:

**11.2.6.1.** Are easily associated with you, for example your telephone number or date of birth;

**11.2.6.2.** Are part of the data imprinted on the Card;

**11.2.6.3.** Consist of the same digits (1111) or the sequence of running digits (1234); or

**11.2.6.4.** Are identical to previously selected PIN/password.

**11.2.7.** Use up-to-date virus, malware, and spyware software and a firewall on any devices used to access your Account or Card to reduce the risk of security breaches.

### **Your obligation to notify us**

**11.3.** If your Card has been withheld by an ATM, you must immediately notify Paynetics. If Paynetics is not able to return the Card to you, Paynetics will issue a new Card to replace it.

**11.4.** You must immediately notify the Customer Relations Centre (using contact details at clause 19) if:

**11.4.1.** Your Card is lost, stolen or misappropriated; or

**11.4.2.** You believe there has been unauthorized use of your Account or Card or anyone else may be able to use or access your Account, Card or security details to access them.

Paynetics will make all reasonable efforts to stop the use of Account and Card by blocking the Account and the Card after receiving a notification from you.

**11.5.** Paynetics may block your Account(s) and Card(s), or Deactivate Your Card(s) if:

**11.5.1.** Paynetics is concerned about the security of the Account or Card or the security details relating to them;

**11.5.2.** Paynetics becomes aware or suspects that the Account, Card or security details relating to them are being used in an unauthorized, unlawful or fraudulent manner;

**11.5.3.** Paynetics reasonably believes it needs to do so to comply with the law or court order in any applicable jurisdiction, the instructions provided by a Card Organisation or any other rule or duty applicable to Paynetics;

**11.5.4.** This Agreement is terminated for any reason;

**11.5.5.** You request us to do so;

**11.5.6.** You failed to provide us and/or Mercury, as applicable, to our satisfaction, with identification or other data, information and/or documentation which has been requested from you prior to entering and during the validity of the present Agreement for compliance with applicable anti-money laundering and counter-terrorist financing laws and requirements;

**11.5.7.** You have breached any term of this Agreement in a material way.

**11.6.** We will, if possible, notify you, before we Block Your Account(s), Card(s) or Deactivate Your Card(s), that we will do so and the reasons for it. If we are unable to notify you beforehand, we will notify you immediately afterwards. We will not notify you if doing so would compromise our security measures or would be unlawful.

**11.7.** Your Account(s) and Card(s) will be unblocked or re-activated (or replaced) as soon as possible after the reasons for blocking cease to exist.

### **Communicating with you about fraud or security threats**

**11.8.** We may need to contact you urgently in the event of suspected or actual fraud or security threats to your Account(s), Card(s) and/or security details. To do so, we may use an SMS, telephone, e-mail, or another procedure we deem secure. When we contact you, we may also give you information on how you can minimize any risk to your Account(s), Card(s) or security details depending on the nature of the security threat. But we will **never** ask you to give your full security details (such as PIN, password or passcode) or ask you to transfer money to a new account for security reasons.

### **12. Liability & Refunds**

**12.1.** Paynetics will not be liable in the cases where (i) you have insufficient available funds to cover the amount of any particular Payment Transaction, together with any applicable and payable to us fees, or (ii) the actual amount of the funds transferred to your Account was lower than previously disclosed to you by Mercury for reasons connected to your contract with Mercury, or (iii). In such cases you must immediately contact Mercury and address your concern directly to them.

**12.2.** You must notify Paynetics in writing of any unauthorized or incorrectly executed Payment Transaction on your Card without undue delay after becoming aware of such unauthorized or incorrectly executed Payment Transaction and in any case no later than 13 months from the date the Payment Transaction was debited to your Account. You can notify us of such unauthorized or incorrectly executed payments by contacting the Customer Relations Centre (see clause 19 for details).

**12.3.** If you notify us of an unauthorized or incorrectly executed Payment Transaction in accordance with clause 12.2, you may be entitled to receive a refund of the funds as detailed below. Paynetics will verify the authenticity of the payment, its proper recording and reporting, and whether the transaction has been affected by a technical malfunction or another defect.

**12.4.** If you are entitled to a refund for an incorrectly executed or unauthorized Payment Transaction, we will refund you to your Account as soon as possible upon receipt of your claim or any additional information we may request in order to investigate your right to a refund. However, if after we refund you, our investigation leads us to reasonably believe that you were not entitled to the refund, we will have the right to deduct the amount of the refund from any balance on the Account or any other Account you have with us and reserve the right to recover the value of the refunded payment by any other legal means.

### **Unauthorized Payment Transactions with your Card**

**12.5.** If Paynetics establishes you have not authorized a Payment Transaction using your Card (for example, someone else made it) and there are no reasonable grounds for suspecting that you acted fraudulently, Paynetics will refund the value of the unauthorized Payment Transaction by no later than

the end of the Business Day after you notify Paynetics of the unauthorized Payment Transaction. The refund will include any fees to restore your Account to the position it would have been at if the unauthorized Payment Transaction was not made. Paynetics may hold you responsible for up to the first €50 incurred as losses with respect to unauthorized payments arising from the loss, theft or misappropriation of your Card or security details before you notify Paynetics.

**12.6.** You will not be entitled to a refund and you will bear all losses, irrespective of their amount, relating to an unauthorized payment if:

**12.6.1.** The Payment Transaction was authorized by you;

**12.6.2.** You have acted fraudulently;

**12.6.3.** You have intentionally or with gross negligence failed to comply with one or more of the obligations under this Agreement (for example, with regards to keeping your Account and Card safe or to notify us of any unauthorized payments).

### **Non-executed or incorrectly executed Payment Transactions**

**12.7.** If Paynetics fails to execute or incorrectly executes a Payment Transaction, Paynetics will promptly reimburse the amount of the Payment Transaction (including any fees to restore the Account to the position it would have been at if the defective payment was not made), unless Paynetics can show that the recipient's payment service provider has received the money (in which case they will be liable). In this case, on your request, Paynetics will make reasonable efforts to trace the money and inform you about the outcome.

**12.8.** Paynetics will not be liable for any Payment Transaction executed in accordance with the payment instructions given by you. If the payment instruction you have given us was incorrect or incomplete, Paynetics will make reasonable efforts to recover the payment amount. Paynetics may charge you a fee for any such recovery as indicated in the Tariff. If Paynetics is not able to recover the payment amount, Paynetics will, on your written request, provide you with the relevant information about the payment.

### **General liability**

**12.9.** Paynetics will not be liable to you for any damages or losses arising from or relating to:

**12.9.1.** Your failure to use the Card or Account in accordance with this Agreement;

**12.9.2.** Any Payment Transactions executed in accordance with the information or instructions provided by you which were incorrect, inaccurate or incomplete;

**12.9.3.** Any unusual or unforeseeable circumstances beyond the control of Paynetics, the consequences of which could not be avoided despite Paynetics' reasonable efforts;



- 12.9.4.** Refusal of a merchant, ATM or any other person to accept the Card;
- 12.9.5.** Malfunction of a mobile device or other equipment, software or services required for the successful technical performance of an operation which is beyond the control of Paynetics;
- 12.9.6.** our actions undertaken in accordance with the applicable legal or regulatory requirements or any Rules and Regulations or guidelines provided by the Card Organisation and/or Competent Authority;
- 12.9.7.** You acting fraudulently or with gross negligence;
- 12.9.8.** Loss of revenue, goodwill, lost benefits or expected savings;
- 12.9.9.** Any loss or damage which is not a direct result nor a direct consequence of a breach of this Agreement by Paynetics; or
- 12.9.10.** Any loss or damage caused by a virus, denial of service attack dissemination or other technologically harmful material that may infect a computer or other device or equipment, software programs, data or other proprietary material in connection to the Account, Card and this Agreement;
- 12.9.11.** The quality, safety, legality or any other aspect of goods and/or services purchased using the Card or any possible disputes arising between you and the provider of such goods/services;
- 12.9.12.** The safety, legality, operations, or any other aspect relating to your contract with Mercury and your contract with any partners of Mercury;
- 12.9.13.** Paynetics refusing to accept or execute any payment or restricting, blocking or deactivating your Account(s) and Card(s) in accordance with this Agreement;
- 12.9.14.** Loss or damage beyond Paynetics' responsibility by law.
- 12.10.** None of the terms of this Agreement will limit or exclude Paynetics' liability for fraud, gross negligence or any other liability which cannot be legally excluded or limited by law.
- 12.11.** You are responsible for the use of the Account(s) and Card(s) in accordance with this Agreement. You will be liable to Paynetics for all losses and damages caused by their improper and/or non-compliant use that does not comply with this Agreement.

### **13. Changes to this Agreement**

- 13.1.** Paynetics may make changes to this Agreement, including the fees set out in the Tariff, as set out further below for reasons which may include (but are not limited to):
  - 13.1.1.** Changes to the products or services or introducing new products or services under this Agreement;
  - 13.1.2.** Withdrawal of a particular part of our products or services;

**13.1.3.** Changes in market conditions or operating costs that affect Paynetics;

**13.1.4.** Changes in technology, our systems and/or payment methods;

**13.1.5.** Making this Agreement clearer or more favourable to you; or

**13.1.6.** Changes in relevant laws or regulations, or codes or rules that apply to Paynetics.

**13.2.** Paynetics will notify you about any changes to this Agreement, including the Tariff and Privacy Policy, and the date on which such changes shall take effect, by providing you with at least 2 months' notice before the changes take effect. Paynetics can make immediate changes, without notice to you, to the exchange rates used to convert Payments Transactions where such changes are the result of changes in the reference rate we have disclosed. Paynetics can make changes with providing you with less than a 2 months' written notice if the changes are more favourable to you or are required under the applicable Rules and regulations, or codes or rules that apply to Paynetics.

**13.3.** We can notify you about changes to this Agreement by posting a notice on the Website and sending a notification to you via email. The notification will contain information about the upcoming changes and where you can view them.

**13.4.** If you do not approve of the changes to this Agreement, you have the right to terminate this Agreement free of charge by informing Paynetics via the Customer Relations Centre before the changes take effect. Paynetics will treat you as having accepted the changes unless you terminate this Agreement before the proposed changes take effect.

## **14. Term of the Agreement. Cancellation. Termination.**

**14.1.** This Agreement will become effective when your application is approved by Paynetics. This Agreement will remain valid until it is terminated in accordance with its terms.

**14.2.** You can cancel your Account(s) and Card(s) and terminate this Agreement within 14 days of the date you receive confirmation your application has been approved by Paynetics by contacting the Customer Relations Centre. You will not be charged for cancelling within this period and you can request return of your funds in accordance with clause 15 below. You will not be entitled to a refund of any Payments Transactions and associated fees made up to the date you notify Paynetics of the cancellation.

**14.3.** This Agreement can be terminated by you:

**14.3.1.** Notifying Paynetics you do not accept changes to this Agreement in accordance with clause 13.4;

**14.3.2.** Notifying Paynetics of the cancellation of this Agreement in accordance with clause 14.2;

**14.3.3.** Providing Paynetics a written request for termination of this Agreement at any time.

**14.4.** This Agreement can be terminated by Paynetics:

**14.4.1.** by providing you with 2 months' notice of termination of this Agreement;

**14.4.2.** with a notice, having an immediate effect, if:

**14.4.2.1.** you breach an important term or persistently breach the provisions of this Agreement;

**14.4.2.2.** Paynetics reasonably believes that your Account(s), Card(s) or any of its services is being used for any fraudulent or illegal purposes or in an unauthorized manner or for Prohibited Transactions;

**14.4.2.3.** Paynetics is required to do so to comply with any law or regulation or a requirement by a Competent Authority or a Card Organisation;

**14.4.2.4.** Paynetics reasonably believes that continuing to permit use of your Account or Card may cause Paynetics to breach any applicable law or regulation, code or another duty applicable to it or expose Paynetics to any adverse action, censure, fine or penalty from any Competent Authority, law enforcement or other governmental agency or Card Organisation;

**14.4.2.5.** you become deceased;

**14.4.2.6.** the agreement between Paynetics and Mercuryo has been terminated;

**14.4.2.7.** your contract with Mercuryo (Mercuryo Terms) has been terminated or suspended;

**14.4.2.8.** in other cases provided by law or in the Agreement.

**14.5.** If this Agreement is terminated for any reason, your right to use the Account(s) and Card(s) will be terminated, your Account(s) will be closed and Card(s) will be deactivated. All fees and other amounts due to Paynetics under the Agreement, if any, will become payable on termination. You can request return of your funds in accordance with clause 15.

**14.6.** You will be responsible for all Payment Transactions performed prior to termination of this Agreement, their resulting liabilities and any other obligations relating to the use and servicing of the Account(s) or Card(s) prior to such termination.

## **15. Return of your funds**

**15.1.** After this Agreement is terminated, you have the right to request that the remaining funds on your Account(s) are returned to you. You can make such a request by contacting our Customer Relations Centre.

**15.2.** You shall submit an application for reimbursement and shall indicate a bank account number of yours to which the unused funds shall be reimbursed. Paynetics shall reimburse you the unused funds no later than 30 days after receiving the application of reimbursement or after a dispute resolution has been released by the Card Organization or a Competent Authority. All costs for carrying out the reimbursement are at your expense.

**15.3.** If you're the remaining funds onto your Account(s) are not sufficient to cover the costs for the reimbursement, the latter will be performed once such costs have been covered.

**15.4.** Paynetics reserve the right to ask for additional documentation before reimbursement be completed.

## **16. Complaints**

**16.1.** If you wish to complain about Paynetics services under this Agreement, you can do so by contacting the Customer Relations Centre.

**16.2.** You can find more information on how we handle complaints on the Paynetics Website (<https://www.paynetics.digital/complaints/>). We will provide you with a copy of our complaints procedure on your request or if we receive a complaint from you. In most cases, Paynetics will review your complaint and provide a full response within 15 Business Days from the date the complaint was received. In exceptional circumstances, where Paynetics is unable to respond to your complaint in full within that timeframe, Paynetics will send you a holding response with reasons for the delay and the timeframe within which you will receive a full response, which in any case will be within 35 Business Days from the date your complaint was received.

**16.3.** If Paynetics fails to provide a full response to your complaint within the time limit referred to above or has failed to resolve your complaint to your satisfaction, you may refer your complaints to the Payment Disputes Conciliation Committee with the Commission for Consumer Protection (1000, Sofia, 1 Vrabcha Str, fl. 4, Bulgaria, phone: +359 2 933 05 77). Details of the service offered by the Payment Disputes Conciliation Committee are available at [www.kzp.bg](http://www.kzp.bg) and <https://abanksb.bg/pkps/pkps-contacts-En.html>.

## **17. Disputes**

**17.1.** Any dispute with Mercuryo about the performance of Mercuryo Terms, for example concerning the amount of fiat money that you are entitled to receive for a particular exchange of virtual assets, or about the exchange rates applied by Mercuryo in relation thereto, is a dispute between you and Mercuryo and should be addressed directly to Mercuryo. Paynetics does not accept any responsibility or liability for the operations, safety, legality, or any other aspect relating to your contract with Mercuryo and does not provide any warranties whatsoever.

## **18. Miscellaneous**

**18.1.** This Agreement shall be governed by the Bulgarian law. Any disputes relating to this Agreement will be finally settled by the competent Bulgarian court.

**18.2.** Paynetics may transfer or assign its rights and obligations under this Agreement to another company or individual at any time. If the transfer means that another organization will be providing the services under this Agreement to you instead of Paynetics, Paynetics will give you notice of the transfer and the date when the transfer will take effect. Unless specified otherwise in the notice, the terms of this Agreement will be binding on you and the transferee as if the transferee was the original party to this Agreement from the date the transfer takes effect. This will not affect any of your legal rights relating to this Agreement or the services provided under it.

**18.3.** You cannot transfer or assign any of your rights and obligations under this Agreement to another individual or company without Paynetics' prior written consent.

**18.4.** If a court or Competent Authority establishes that a certain provision in the Agreement (or any part of any provision) is invalid, illegal or unenforceable, such provision (or part of it) shall be deemed to be non-existent to the extent necessary, but the validity and applicability of all other provisions of the Agreement shall not be affected.

## **19. Customer Care Team**

**19.1.** You can contact our Customer Care Team:

**19.1.1.** By email at [support@mercuryo.io](mailto:support@mercuryo.io)

**19.1.2.** Or live chat with us via the Mercuryo Widget.

**19.2.** You can report lost, stolen or misappropriated Cards or other unauthorized access to your Account(s) via the live chat functionality (available 24/7) of the Mercuryo Widget.

*The present Cardholder Agreement has been approved by the Board of Directors of Paynetics AD with a resolution dated [ ] 2025.*