

Terms and Conditions for the use of the SEBA Card

(unofficial translation of the Hypothekarbank Lenzburg “Bedingungen für die Benützung der Zahlkarte”)

Art. 1 Contractual Relationship and Definitions

- 1.1 The card issuer Hypothekarbank Lenzburg Ltd. (hereinafter referred to as “Bank”) will issue the authorized cardholder a debit card and or virtual debit card including relevant card data (hereinafter referred to as “SEBA Card”) and authentication data to enable cashless purchases of goods and services.
- 1.2 The SEBA Card and card data is issued in the name of the respective authorized cardholder and provides access to one designated Bank account or pre-paid account (hereinafter referred to as “account”) for which it has been issued.
- 1.3 Authorized cardholders may be accountholders, holders of a power of attorney or persons designated by the accountholder (hereinafter referred to as “accountholder”).
- 1.4 The accountholder is liable for all liabilities arising from the use of the card and the settlement of authorized transactions made with the SEBA Card vis-à-vis the Bank.
- 1.5 Card data comprises the card number, expiration date, three-digit security code (CVC2/CVV2), computed security elements and alternative card data linked with the card number (hereinafter referred to as “Tokens”). The following methods are in particular defined as the authentication process; personal identification code (PIN), passwords, codes, biometric authenticate methods and security protocols.
- 1.6 Subsequent to the first time usage of the SEBA Card, the cardholder confirms to have read, understood and acknowledged these “Terms and Conditions for the use of the SEBA Card”.

Art. 2 Use of the SEBA Card

The SEBA Card can be used for one or more of the following functions:

- pay for goods and services both in Switzerland and abroad at authorized physical or virtual merchants equipped with devices for this purpose
- withdraw cash at counters and ATMs both in Switzerland and abroad;
- where applicable for services of the Bank

Art. 3 Duties of care of the cardholder

In particular, the cardholder shall exercise the following duties of care:

- 3.1 **Signing:** the cardholder shall sign the SEBA Card immediately after receipt in the area provided for this purpose.
- 3.2 **Storage:** The SEBA Card must be kept in a safe place.
- 3.3 **Confidentiality of the authentication process:** The cardholder shall keep the card PIN and other authentication elements such as passwords private and separate from each other. The SEBA Card and means of access such as the PIN code shall not be sent, passed on or made accessible to third parties. In particular, the means of access shall not be saved on the SEBA Card or saved electronically, not even in altered form and shall not be easily ascertainable.
- 3.4 **Use of the PIN:** After receiving the initial SEBA Card PIN issued by the Bank, the cardholder must change the PIN to a six-digit number at a designated ATM immediately replacing the initial PIN. The new PIN must be chosen in such a way that it is not easily detected or deducted (no telephone numbers, birthdays, car registration numbers, etc.) and must differ from other PINs and passwords used by the cardholder.

- 3.5 The SEBA Card cannot be transferred: The cardholder is prohibited to share or disclose the SEBA Card or associated card data other than to legitimize or authenticate a payment at a designated acceptance point.
- 3.6 **Reporting of loss or misuse:** In case of loss, theft, confiscation or misuse of the SEBA Card and or methods of authentication and data or mobile devices (e.g. mobile phones) has occurred or is suspected, the cardholder shall immediately report this to the Bank by telephone.
- 3.7 **Obligation to check statements and reporting of discrepancies:** The accountholder is obliged to check transaction and debit advices (e.g. account statements, transaction reports in a App, etc.) as well as authentication requests immediately upon receipt. Any discrepancies, in particular debits resulting from the misuse must be immediately reported to the Bank.
- 3.8 **Use of secure devices:** Mobile devices (in particular mobile phones) belonging to the cardholder may be used as a carrier of card data and as an authentication method. Therefore, the possession and security of such mobile devices is of critical importance. The cardholder is obliged to ensure that the mobile device cannot be accessed (e.g. by installing a screen lock) by a third party. Furthermore, the mobile device must be diligently stored, applications and operating systems must be kept up to date and interferences (e.g. “Jailbreaking” or “Rooting”) into the operating system are strictly prohibited. In the event that a mobile device is replaced or no longer in use, the card data and authentication elements are to be deleted and the instructions to exchange a mobile device issued by the Bank adhered to.

Art. 4 Obligation to provide coverage

The SEBA Card may only be used if sufficient funding is available on the associated account (credit balance or limit) to settle all transactions authorized with the SEBA Card. The account- and/or cardholder acknowledges that not all transactions executed at a designated acceptance point can be collated with the credit balance or limit in real-time which may result in a negative balance on the account. The accountholder must settle negative balances caused by authorized transactions that exceed the credit balance or limit immediately.

Art. 5 Bank’s right to debit

The Bank is entitled to debit all amounts resulting from the use of the SEBA Card to the account. The Bank’s right to debit also remains in full force in the case of a dispute between the authorized cardholder and third parties (e.g. merchants). Amounts in foreign currencies shall be converted into the account currency.

Art. 6 Credit on a PrePaid-Account

- 6.1 The SEBA Card is directly linked to a prepaid account and serve the purpose for advance payment of future payments and withdrawals. The Bank distinguishes prepaid accounts and associated SEBA Cards. Prepaid accounts may not exceed a balance of more CHF 10,000.
- 6.2 The prepaid accountholder may submit a written request to the Bank for a positive card balance to be refunded. Refunds will only be made to a Swiss post office account or Bank account in the name of the accountholder.

Art. 7 Obtaining, processing and disclosure of data / involvement of third parties

The Bank is entitled to obtain all information deemed to be necessary for the purposes of the approval of the card application and processing of the contract from Debt Enforcement Offices as well as Residents' Registration Offices and from the Central Office for Credit Information (hereinafter referred to as ZEK) and the Consumer Credit Information Office (hereinafter referred to as IKO).

In the event of blocked cards, qualified payment arrears or misuse of the SEBA Card, the Bank reserves the right to file a report to the ZEK. Furthermore, the Bank may report to the IKO based on the obligations of the Consumer Credit Act (KKG). The ZEK and the IKO are expressly permitted to make this data available to their members (their members are companies from the consumer credit, leasing and credit card business). To this extent, the cardholder releases the Bank and the aforementioned entities from the bank client secrecy.

In order to fulfil its duties, the Bank may engage third parties (Mastercard Inc., NiD SA). In particular, the cardholder and / or account holder agrees that the Bank may forward client data to third parties and moreover agrees that other agents may gain limited knowledge of such client data deemed necessary to diligently fulfill the card productions and processing of card transactions.

The Bank reserves the right to delegate authentication procedures based on contractual agreements to third parties (e.g. smartphone manufacturers).

Art. 8 Authorization of transactions

The cardholder authorizes a designated acceptance point ("merchant") to initiate transactions and the Bank to debit the account with authorized amounts or to appropriately reduce the account balance in order to irrevocably remunerate the amounts to the acceptance point by providing the merchant with the following card data:

- a) one-time manual transmission of the card data (e.g. when using the card data on the Internet, oral transmission via telephone or similar);
- b) manual transmission and subsequent permanent storage of the card data at an acceptance point for the purpose of authorizing multiple transactions;
- c) electronic transmission of the card data from the magnetic strip of the card;
- d) electronic transmission of the card data from the chip of the card;
- e) contactless electronic transmission of the card data from the chip of the card by means of Near Field Communication (NFC);
- f) contactless electronic transmission of the card data from the chip of a payment device (e.g., mobile phone, wearable);
- g) contactless electronic transmission of the card data from the internal or external memory of a payment device (e.g., mobile phone, wearable);
- h) electronic transmission of the card data from a centralized electronic storage using the card data on the Internet.

Art. 9 Authentication of transactions

9.1 Depending on the type of authorization, a transaction may require additional authentication of the cardholder. The authentication method used for a transaction may be determined by the bank, the cardholder, the acceptance point or third parties. In the event that the cardholder has several alternate authentication methods for a transaction, the cardholder is obliged to select a "strong" authentication method. The SEBA Card supports the following authentication methods.

- 9.2 "Strong" authentication methods:
- a) entering the personal identification number (PIN) at a designated physical device (e.g., ATM, terminal);

- b) entering a one-time password generated by the bank and sent by SMS in a selected input field provided by the bank;
 - c) confirming the transaction within an application provided by the Bank on a mobile device (e.g., smartphone) of the cardholder;
 - d) use of the Bank-provided biometric method (e.g., fingerprint, face recognition) on the cardholder's mobile device.
- 9.3 Other authentication methods:
- a) signing a transaction receipt issued by an acceptance point;
 - b) input of a user name and / or password determined by the cardholder and the acceptance point on stored card data (e.g. in-app purchases, card data deposited with acceptance points);
 - c) presenting identification documents (e.g., passport, identity card) at an acceptance point.
- 9.4 Authentication requests must be carefully verified by the cardholder prior to granting authentication. Authentications may only be granted if the request is directly related to a transaction authorized by the cardholder and contains the correct data (e.g., transaction amount, name of the acceptance point, etc.). A successful authentication cannot be revoked by the cardholder.

Art. 10 Deposit and maintenance of card data

- 10.1 If the cardholder deposits card data for permanent storage for future transactions at acceptance points or other third parties, all subsequent transactions are considered authorized (see section 8b). If the cardholder wishes to revoke such authorisation, he/she must do so directly at the acceptance point by terminating respective contracts (e.g. subscriptions), deleting the stored card data or adjusting the terms of payment.
- 10.2 The Bank is entitled to update the cardholder's card data without prior consultation or to notify the cardholder of new card details (e.g. new expiration date). The cardholder is responsible for updating any stored card data.

Art. 11 Reporting of misuse and irregularities

- 11.1 If misuse or other irregularities in connection with transactions, debits or authentication requests are detected or suspected by the cardholder and / or account holder, the bank must be informed immediately by telephone.
- 11.2 In the event of misuse or other irregularities, the cardholder and / or account holder is required to do undertake appropriate measures to clarify and mitigate any possible damage; whereby he/she must follow the Bank's instructions. The Bank may request the cardholder to submit a completed claim form (provided by the Bank) in full and in a timely manner, file a complaint with the relevant police department, request a copy of the complaint report and forward it to the Bank.
- 11.3 The account holder shall be liable to the Bank for all costs and expenses incurred as a result of complaints against better knowledge or with fraudulent intent.

Art. 12 Objections to transactions

- 12.1 The card and / or account holder is responsible for the transactions made using the card data. In particular, any objections to goods or services purchased as well as further disagreements and claims arising from these legal transactions must be settled directly with the respective acceptance point.
- 12.2 The bank's right to debit remains unlimited (see section 5).

12.3 If discrepancies of authorized transactions cannot be clarified or insufficiently clarified, the affected transactions must be reported to the Bank within 30 days of being debited in writing or through an appropriate channel provided by the Bank. The Bank may, in its sole discretion and without any guarantee of success, initiate a claim for recovery based on the rules of the payment system. The card and / or account holder shall assist the Bank in recovering the claim by providing timely additional information pertaining to the affected transactions. Only after completion of the request for recovery is definitive, can a possible corrective booking / credit on the account of the account holder be executed.

12.4 The Bank is entitled to charge an expense compensation for the processing of repeated, complex or despondent complaints.

Art. 13 Claims for non-negligence

13.1 Provided that the cardholder and the account holder have fully complied with the conditions for the use of the SEBA Card (in particular the due diligence obligations pursuant to item 3) and are otherwise not at fault in any way, the bank will pay for damages the cardholder and / or account holder have incurred as a result of the misuse of the SEBA Card and / or the card data by third parties. Damages as a result of theft, forgery or falsification of the SEBA Card, misuse of the card data on the Internet or similar are also included.

13.2 The term "third party" as defined above shall not apply to persons associated to the cardholder and / or account holder (e.g. family members) and persons living in the same household.

13.3 Charges that have been authenticated by a strong authentication method (see Section 9.2) shall be deemed as authorized by the cardholder.

13.4 Damages for which insurance is liable and any consequential damages of any kind are not accepted.

Art. 14 Liability disclaimer

The Bank assumes no liability if an acceptance point refuses to accept the SEBA Card as a means of payment or if the SEBA Card cannot be used due to a technical defect or due to a business interruption. The Bank is entitled (e.g. in case of suspected abuse) to reject and halt the processing transactions without prior consent with the cardholder. The card and / or account holder has no claims for damages.

Art. 15 Limits and Restrictions

15.1 The Bank may, in its sole discretion, set limits or restrictions to transactions and / or charges. These may relate to accumulated amounts, number of transactions, as well as specific transactions (e.g., cash withdrawals, countries, merchant categories, etc.). The Bank may amend or revoke limits and restrictions at any time, or introduce new limits and restrictions. Limits and restrictions may be communicated to the cardholder and / or account holder, whereby the bank is not obliged to do so.

15.2 The Bank may allow the cardholder to set their own limits or restrictions. However, the bank bears no responsibility for the correct application of such. In the event that a limit or restriction is breached through charges authorized by the cardholder are also payable by the account holder.

Art. 16 SEBA Card blocking

16.1 The Bank is entitled at any time to block the SEBA Card without prior notification to the cardholder and / or account holder and without any given reasons.

16.2 The cardholder and / or account holder may explicitly request the Bank to block the SEBA Card, card details or elements thereof (e.g., in the event that the SEBA Card is lost) or if the card contract is terminated.

16.3 Cardholders with no authority on the account, can only block SEBA Cards in their name and corresponding card data.

16.4 Blocking the SEBA Card can only be requested by calling 0800 813 913.

16.5 The suspension of the block can only be revoked with the written consent of the account holder at the Bank.

Art. 17 SEBA Card for additional services

If the SEBA Card is used for further services of the Bank, the separate provisions agreed with the Bank apply.

Art. 18 Fees

The Bank may charge fees to the account holder for the issuance of the SEBA Card and its authorization as well as for the processing of transactions, which shall be disclosed in an appropriate manner. These fees will be charged to the account to which the SEBA Card is issued.

Art. 19 Validity and renewal of the SEBA Card

19.1 The SEBA Card shall remain valid up to and including the expiry date displayed on the SEBA Card. Subject to correct business procedures and unless the authorized cardholder explicitly notifies the Bank that the card is not to be renewed, the card will be replaced prior to the end of the date indicated on the card.

19.2 The Bank reserves the right to adapt or change the card data irrespective of the validity. The Bank will communicate such modifications as appropriate.

19.3 In the event that the authorized cardholder does not receive a new SEBA Card five days before the previous card expires, he/she must notify the Bank immediately.

Art. 20 Termination

20.1 The SEBA Card may be terminated at any time by the account or cardholder. The termination of a power of attorney by the account holder is equivalent to the termination of the card. The account holder and / or card holder must return the SEBA Card subsequent to termination to the bank unsolicited and immediately and delete any card data on devices and with third parties. In the event of early recovery or return of the card, there is no right to reimbursement of fees already charged.

20.2 The Bank shall remain entitled, despite termination of the SEBA Card, to debit from the relevant account all sums due to the authorization of transactions prior to the effective return of the card or the deletion of the card data by third parties.

Art. 21 Changes to the terms and conditions

The Bank is entitled to modify the terms and conditions and the product and service-specific provisions at any time. The Bank will communicate such modifications in advance and in an appropriate manner. The amendments shall be deemed to have been accepted by the authorized cardholder unless the card was terminated before the amendments become effective.