

**CUSTOMER COMPLAINT HANDLING POLICY OF
BULGARIAN AMERICAN CREDIT BANK**

Adopted by a decision of the Management Board of BACB AD of 4 August 2016, effective as from 15 August 2016, as amended by a decision of the Management Board of 10 May 2018, as amended by a decision of the Management Board of BACB of 28 November 2019.

1. General provisions (Amended by a decision of the Management Board of BACB of 28 November 2019)

The purpose of this document is to describe the complaint handling policy of Bulgarian American Credit Bank AD (BACB) and to regulate in a clear and detailed manner the option of the BACB's customers to file complaints against actions or omissions of the Bank's employees in connection with the provision of banking services, including investment services and activities.

This Customer Complaint Handling Policy of BACB AD (the "Policy") has been developed on the basis of the effective legislation governing the procedures for handling customer complaints filed with respect to the provision of banking products and services, as well as investment services and/or activities under the Markets in Financial Instruments Act (MFIA), as well as to resolve disputes with customers referred to in the Payment Services and Payment Systems Act, the Remote Provision of Financial Services Act, the Consumer Lending Act, the Consumer Real Estate Loans Act, the Personal Data Protection Act, the Consumer Protection Act, the Guidelines for complaints-handling for the securities (ESMA) and banking (EBA) sectors, and other provisions of the applicable legislation.

The primary purpose of this Policy is to ensure that the complaints filed will be resolved in a clear, fair and impartial manner within the pre-determined response time.

Guiding principles for complaint handling and dispute resolving:

- transparency and availability – the Complaint Handling Policy is published on the website of BACB AD and is available to all customers and employees;
- protection of customers' interests – when considering the received complaints, the Bank strives to achieve speed, objectivity and independence in decision making and response preparation;
- client-oriented approach - BACB AD actively seeks feedback from its customers and respects their right to complain;
- ongoing quality improvement – the Bank analyses on an ongoing basis the information from the complaint handling process to ensure that recurring or systemic problems are identified and addressed, as well as the potential legal and operational risks;
- prevention of conflicts of interest;

Based on this Policy, the Bank has developed Internal Rules for Complaint Handling at BACB AD, which regulate the procedures for filing and reviewing complaints, preparing and providing answers to the Bank's customers, including taking corrective measures and actions.

The Specialized Internal Audit Unit conducts, where required and within the scope of its responsibilities, independent audits to ensure the proper compliance with the Policy and internal regulatory framework for complaint handling.

2. Definition of complaint and complainant

- 2.1 A complainant is a natural person or legal entity who is considered to be entitled to have their complaint addressed by the Bank. Any customer, whether natural person or legal entity acting through its legal representative or proxy, has the right to file a complaint.
- 2.2 A complaint, within the meaning of this Policy, is the expression of dissatisfaction, complaint or remark by a customer about the quality of the products, services provided and quality of servicing in which the Bank is involved.

3. Place and method to file complaints

Complaints can be filed in the following ways:

- 3.1 In each office of BACB AD, as well as at the address of the Head Office: 2 Slavyanska Str., 1000 Sofia.
- 3.2 By e-mail to: **complaints@bacb.bg**
- 3.3 By the e-channel of Via the electronic channel of Virtual Bank (**www.bacbplus.bg**)
- 3.4 By mail to: BACB AD, 2 Slavyanska Str., 1000 Sofia.

When the complaint is received at BACB AD, it will be referred for consideration on the same business day (if received within the Bank's business hours), and in all other cases - within the next Bank's business day.

4. Content of the complaint:

- 4.1 Data identifying the complainant (names, Personal Identification Number, Foreigner's Identification Number, ID number, UIC, correspondence address, telephone, e-mail)
- 4.2 Description of the objection
- 4.3 Formulation of the request
- 4.4 List of the documents enclosed to the complaint (if any)
- 4.5 Signature of complaint (if presented in hard copy)

5. (Amended by a decision of the Management Board of BACB of 28 November 2019) Consideration of complaints and notification to the complainant

All customer complaints are processed or handled at the Bank's Head Office. They are entered in a common register in order to ensure effective monitoring of customer complaints and control on the compliance with the relevant procedures.

The Bank considers and prepares a response to all complaints filed in Bulgarian or English with a uniquely identified complainant. The remaining complaints received are analysed internally to improve the quality of work. The Bank does not respond to anonymous complaints.

The Bank responds to complaints within the statutory time limits. Responses to complaints related to payment services and/or investment services and activities under the MFIA are prepared within 14 days of the date of the receipt of the complaint. For complaints related to consumer loans and loans under the Consumer Real Estate Loans Act, the time limit is up to 30 days from the date of receipt, and for all other cases, the time limit for responding to the complaint is 14 days from the date of receipt. In case of objective reasons (waiting for additional information from the complainant or information from third parties, etc.), it is possible to extend the period whereby the Bank should inform the complainant about the actions taken by the Bank to establish the claim and the time when the answer is to be expected.

**6. (Amended by a decision of the Management Board of BACB of 28 November 2019)
Settlement of outstanding disputes:**

6.1. If the complaint falls within the scope of the **Payment Services and Payment Systems Act**, including contracts for remote provision of payment services within the meaning of the **Remote Provision of Financial Services Act** and with respect to the exchange fees for card-related payment transactions, the complainant has the right to refer the case to the **Conciliation Committee for Payment Disputes at the Consumer Protection Commission** at: 4A Slaveykov Sq., floor 3, 1000 Sofia; telephone: + 359 2 933 05 77; fax: + 359 2 988 42 18; e-mail: adr.payment@kzp.bg; website: www.kzp.bg and <http://abanksb.bg/pkps>;

6.2. If the complaint is related to a **consumer loan agreement or a loan under the Consumer Real Estate Loans Act**, the complainant has the right to approach the **Sectoral Conciliation Commission for dispute settlement in the field of financial services, including the provision of remote financial services related to the provision of consumer and mortgage loans** to the Consumer Protection Commission at: 4A Slaveykov Sq., floor 3, 1000 Sofia; telephone: + 359 2 933 06 03; e-mail: adr.credits@kzp.bg; website: www.kzp.bg

6.3. If the complaint is related to provided **investment or registration services**, the competent body for handling complaints related to provided investment and/or registration services is the **Sectoral Conciliation Commission for dispute settlement in the field of activities and services under Art. 5 (2) and (3) MFIA and of the activities and services under Art. 86 (1) and (2) of the Collective Investment Scheme Activity Act and other collective investment undertakings, including in the provision of remote financial services in these sectors** to the Consumer Protection Commission at: 4A Slaveykov Sq., 1000 Sofia; telephone: + 359 2 933 05 90; e-mail: adr.finmarkets@kzp.bg; website: www.kzp.bg

In addition to the aforementioned committees for the assistance and settlement of national disputes between consumers and traders on contracts for the provision of services, complaints about services, unfair terms in contracts, unfair commercial practices, the customers may also approach the **General Conciliation Commission to the Commission for Consumer Protection** based in Sofia at: 4A Slaveykov Sq., 1000 Sofia; telephone: + 359 2 933 05 17; e-mail: adr.sofia@kzp.bg; website: www.kzp.bg.

7. Provision of information

This Customer Complaint Handling Policy of BACB AD is available in writing on the Bank's official website (www.bacb.bg) and in all offices of the Bank (upon request) in Bulgarian and English.

Transitional and Final Provisions

§1. This Policy is approved by a decision of the Management Board of 4 August 2016 and becomes effective on 15 August 2016, as amended by a decision of the Management Board of 10 May 2018, as amended by a decision of the Management Board of BACB of 28 November 2019.

§2. As from the date of entry into force of this Policy, the Customer Complaint Handling Policy of BACB AD adopted by a decision of the Management Board of 20 February 2013 shall be repealed.