

APPROVED by
Resolution of
the Supervisory Board of JSC NSPC

(National System of Payment Cards)

(minutes No. 13 dated 1 October, 2015)

MIR PAYMENT SYSTEM REGULATIONS

APPENDIX 1 TERMS AND DEFINITIONS

The official language of the Mir Payment System Regulations (Version 1.0, Moscow 2015) is Russian and in case of any discrepancies between the original Regulations and the English version of the Regulations, the Russian version prevails.

Version 1.0

Moscow. 2015

<i>Card off-line limit</i>	the maximum amount of cash, within which Off-line Card Transactions can be carried out.
<i>Off-line Transaction</i>	a transaction using the Card, whereby Authorisation is provided by the Card's payments application without submitting an Authorisation request to the Operations Centre (off-line mode). Such Transactions can only be carried out in the System using Cards with a microprocessor, for which the Issuer has set an Off-line limit.
<i>On-line Transaction</i>	a transaction using the Card, in which Authorisation is requested from the Issuer in real time (on-line mode).
<i>PCI DSS (Payment Card Industry Data Security Standard)</i>	a data security standard of the payment cards industry developed by the Payment Card Industry Security Standards Council (PCI SSC). Describes the requirements for protection of Cardholder data being processed, transferred and stored, and governs the rules for safe development, support and operation of payments systems.
<i>Authorisation request</i>	the Acquirer's request for obtaining Authorisation.
<i>Authorisation</i>	permission (issue of payment guarantee confirmation) granted by the Issuer, which is a ground for the Acquirer to receive from the Issuer a compensation under the Transaction in the amount, for which Authorisation has been given.
<i>Automated teller machine (ATM)</i>	a device designed to perform, without attendance of the Acquirer's authorised employee, cash advance (receipt) Transactions using Cards and other operations under these Regulations, transfer orders to the Issuer concerning cash remittance from the Customer's account and draw up documents confirming Transactions.
<i>BIN (bank identification number)</i>	an 8-figure digital identifier provided by the Operator to the Issuer to identify the Issuer's card product types/6-figure digital identifier provided to the Acquirer.
<i>BIN range</i>	a range of Cards' numbers within a BIN.

Incoming transactions register

a document in electronic format prepared by the Payment Clearing Centre and sent to a Participant; it contains information on Transactions accepted for execution, corrective operations and chargebacks, transactions of paying the Operator's Commissions and penalties, and other cash transfers (hereinafter collectively referred to as transactions data).

Guarantee fund

a fund formed by the Operator from cash (guarantee fees) of the Participants to secure their obligations.

Cardholder

an individual using the Card as a Customer under a contract with the Issuer, or an individual who is a Customer's authorised representative.

Individual code

a 5-figure digital code allowing a Participant to be uniquely identified within the System, including the type of participation in the System.

System's Information Resource

a protected information system providing access to various materials and services of the System.

Outgoing Transactions Register

a document in electronic format, which is prepared and submitted by a Participant to the Payment Clearing Centre and contains information on the Participant's orders regarding Transactions, corrective operations, chargebacks, payment of the Operator's Commissions and other transfer of funds (hereinafter collectively referred to as orders on transactions).

Card

an electronic payment instrument, including a payment card issued by a Participant or its details, that is a means to compile payment and other documents payable by the Customer.

Customer

an individual or a legal entity that has entered into a contract with the Issuer, which provides for Transactions using Cards.

Clearing Position

a payment clearing position calculated on net basis in Russian roubles and defined as a difference between the total amount of Participants' orders subject to execution, whereunder a Participant is the payer, and the total amount of Participants' orders whereunder a Participant is the recipient of

	<p>funds. The calculation of the Clearing Position also includes interchange reimbursement fee amounts whereunder a Participant is the recipient and/or the payer of funds subject to the System Tariffs as well as the Operator's Commissions also subject thereto.</p> <p>A Direct Participant's Clearing Position is formed with regard to Transactions of an Indirect Participant, for which the Direct Participant is a Sponsor.</p> <p>The Clearing Position of a System Participant is formed considering Transactions by participants of the System Participant's payment system.</p>
<i>Merchant Category Code (MCC)</i>	a category code assigned by the Acquirer to merchants according to their activity classification.
<i>Operator's Commission</i>	payment collected from a Participant in favour of the Operator for services rendered within the System subject to the System Tariffs.
<i>Participant's limit</i>	a limit set by the Operator for a Participant, within which to carry out Transactions using Cards in the Participant's Network of Devices, whereunder the Participant is the payer in favour of another Participant.
<i>Logo</i>	a graphic character, picture, emblem or symbol placed by Participants on Cards to designate equipment intended for Transactions using Cards, inform Cardholders where such equipment is located and make advertising products.
<i>Device locator</i>	an information resource available on the Operator's official website www.nspk.ru on the Internet to locate the Acquirer's Network of Devices.
<i>Payment System Operator (System Operator, Operator)</i>	an organisation defining the System Regulations and performing other duties provided by applicable laws of the Russian Federation.
<i>Payment Infrastructure Service Operator</i>	Operating Centre, Payment Clearing Centre and Payment Processing Centre.
<i>Operating Centre</i>	an organisation providing (within the System) Participants and their Customers with access to cash transfer services, including those using electronic

Transaction

payment instruments, electronic messaging and other services related to information and communication interaction between the System's Entities in accordance with the Regulations (operating services).

an action initiated by a Cardholder,
(a) resulting in cash transfer using the Card - **Financial Transaction**;
(b) unrelated to cash transfer (balance enquiry, PIN code change etc.) - **Non-financial Transaction**.

Reports

standard reports on each Participant prepared by the Payment Clearing Centre for the previous Transaction Day and sent to Participants. Such reports include information on Clearing Position amounts, interbank fee amounts and the Operator's Commissions for delivery of operating and payment clearing services subject to the System Tariffs.

CAO (cash advance offices)

a Participant's structural divisions (lending agency's cash office, cash office of a lending agency's branch, cash office of a lending agency's subsidiary office, out-of-the-office cash counter of a lending agency etc.) intended for Card Transactions, including cash withdrawal transactions, and for drawing up documents confirming Transactions.

Card PIN code (PIN, PIN code)

a Card personal identification number (secret code), used by the Cardholder as an equivalent handwritten signature when carrying out a Transaction; PIN serves to authenticate the Cardholder.

Payment Clearing Centre

an organisation set up under applicable laws of the Russian Federation; it serves as part of the Mir Payment System to accept for execution Outgoing Participants' Transactions Registers and acts otherwise as prescribed by applicable laws of the Russian Federation (payment clearing services).

System Regulations (Regulations)

a set of documents defining the terms of participation in the System, cash transfer, delivery of payment infrastructure services, and other terms defined by the Operator under applicable laws of the Russian Federation.

Authorisation Hold

real-time Authorisation Hold intended to check the sufficiency of funds on a Cardholder's account or to reserve the required amount on a Cardholder's account as a guarantee of payment for goods (works, services).
It is not a ground for transfer of funds.

Card Verification Value 2 (CVV2)

a three-digit Card verification code. It is applied to the Cardholder's signature panel after the last four digits of the Card number and used as a security element in keyed transactions.

Payment Processing Centre

the Bank of Russia that, within the System, ensures the execution of the Participants' orders by debiting and crediting the Participants' accounts opened with the Bank of Russia and the transfer of confirmations concerning the execution of the Participants' orders (payment processing services).

Net Positions Register

an electronic document prepared by the Payment Clearing Centre, containing information on Clearing position amounts for each Participant and other information.

Backup Authorisation

Authorisation by the Operating Centre for and on behalf of the Issuer if the latter's hardware-software complex is inaccessible and where it is otherwise impossible to carry out Authorisation in the Issuer's hardware-software complex.

Backup Authorisation Service

the Operating Centre's service of responding, for and on behalf of the Issuer, to an Authorisation request when:

- (a) the Issuer is inaccessible or
- (b) an Authorisation request cannot be transferred to the Issuer or
- (c) the Issuer exceeds the time limit set by the Operating Centre for responding to an Authorisation request.

Network of Devices

a set of ATMs, Point-of-Sale Terminals, Payment Kiosks and other equipment designed to carry out Transactions using Card/Card details.

System, Mir Payment System (MIR PS)

a group of organisations, including the Operator, payment infrastructure service Operators and Participants, which

Sponsor

collaborate under the Mir PS Regulations for cash transfer purposes.

a Direct Participant of the System, rendering payment processing and/or payment clearing services to Indirect Participants. In order to provide operating and payment clearing services to an Indirect Participant, a Direct Participant may engage outside specialised organisations.

System Standards

procedural rules, regulations, guidelines and other documents of the System, which set forth rights and liabilities of the System Subjects as well as other conditions supporting the operation of the System.

System Subjects

Operator, Operating Centre, Payment Clearing Centre, Payment Processing Centre and Participants.

Guarantee Fund account

a bank account opened for the Operator with the Bank of Russia, in which to place Participants' guarantee deposits.

Participant's Account (Account)

a Participant's correspondent account in Russian roubles at the Payment Processing Centre for settlements with other Participants and/or other Subjects of the System. Used as a System Participant's Account is the correspondent account of the System Participant's payment processing centre, which is opened with the Payment Processing Centre.

BINs Table

a list of BINs compiled by the Operations Centre, which determines the routing of Authorisation requests when carrying out a Transaction.

System Tariffs (Tariffs)

an amount and procedure for collection of payments for services rendered by the System Subjects to a Participant within the Participant's work in the System.

Payment kiosk

an ATM type designed to carry out Transactions with Cards authorised in the System, except for cash advance.

Reliable authentication technology

a technology intended to authenticate a Cardholder, using additional methods, when effecting Transactions on the Internet.

Cross-border Transaction

a Transaction in which the payer or the recipient of funds is outside the Russian Federation and/or a Transaction in which the payer or the recipient of funds is

	serviced by a foreign central (national) bank or a foreign bank.
<i>Merchant</i>	a sales (works, services) organisation that has established contractual relationships with the Acquirer to use the System Cards as electronic payment instruments to pay for goods (works, services) sold to Cardholders.
<i>Participant</i>	a lending agency or a payment system that has acceded to the Regulations to deliver cash transfer services.
<i>Exception file</i>	an Operating Centre-supported list of Participants' Cards, for which the Issuer: (a) has imposed servicing restrictions or (b) has determined special servicing conditions.
<i>Central Payment Clearing Counterparty</i>	Bank of Russia acting as the payer and recipient of transferred Participants' cash.
<i>Acquirer</i>	the Participant that does the Acquiring
<i>Acquiring</i>	a Participant's activity to support Transactions and effect settlements with merchants on Transactions using Cards (Card details) and/or those of cash advance to Cardholders other than the Acquirer's Customers as well as on other Transactions pursuant to these Regulations.
<i>Point-of-Sale Terminal</i>	a device designed to conduct Card Transactions at a structural division of a Participant or Merchant, with attendance of authorised personnel of a Participant or Merchant, and to draft Transaction supporting documents.
<i>Issue</i>	an Individual Participant's activity to issue Cards intended for Cardholders to carry out Transactions.
<i>Issuer</i>	an Individual Participant performing the Issue.

The other terms and conditions used throughout these Regulations are understood in accordance with the applicable laws of the Russian Federation.