

RECOMMENDATIONS TO HOTELS FOR SERVICING OF PAYMENT CARDS



General Provisions

All Card Transactions completed at Hotels are regulated by the rules issued by the International Payment Card Organizations (VISA, MasterCard).

1. Definitions

1.1. Hotel – means a person or a company providing accommodation services and having a payment cards servicing agreement entered into with the Bank.

1.2. Additional Payments – means payments by means of POS terminal for the services the Cardholder is willing to use when staying at a Hotel (telephone connection, internet connection, mini bar, restaurant or bar, household services, office services, etc.).

1.3. Advance Payment – means a payment for the Hotel services prior to starting to provide them when the Authorisation is completed through POS terminal.

1.4. No Show – means charging of funds in the case of the Cardholder's non-arrival and/or his breach of the Hotel reservation (cancellation) rules (the Hotel rules) when the Authorisation is completed through POS terminal by entering the Card data manually.

1.5. Pre-authorisation – means a cash reservation by means of POS terminal in the Cardholder's account linked to the Card.

1.6. Authorisation – means verification of the authenticity of Card data and the sufficiency of a balance in the Card-linked account required for a payment transaction by reading the Card data by means of POS terminal, by giving a confirmation (authorisation) code to the relevant transaction being conducted or by indicating the reason for the Card non-acceptance.

1.7. Transaction – means an action performed by means of POS terminal when the Card is used physically, or when the Card data are entered manually.

1.8. Sales Completion – means charging of the reserved (Pre-authorised) amount by means of POS terminal using the authorisation code assigned during the Pre-authorisation.

1.9. Manual Entry Function – means the possibility to make payments by means of POS terminal when the Card data are entered manually.

The other definitions used in these recommendations are indicated in the Rules for Servicing of Payment Cards which make an integral part of the payment cards servicing agreement.



HOTEL ACCOMMODATION BOOKING WITHOUT ADVANCE PAYMENT

2. Hotel accommodation booking without Advance Payment

2.1. When a Cardholder contacts a Hotel for hotel accommodation booking, the Hotel must perform the following actions:

2.1.1. To ask the Cardholder for information (name, surname, contact details), Card number, Card expiry date, and CVC2/CVV2 code;

2.1.2. To inform the Cardholder that the Hotel will check the Card expiry date and its validity for Card payments;

2.1.3. To complete the Pre-authorisation for the amount of EUR 1 (to check that the Card is valid and payments are possible with it). Upon receipt of the confirmation that the Card is valid, the Hotel can confirm an overnight stay reservation;

2.1.4. To send a confirmation of overnight stay reservation to the Cardholder to the Cardholder's contact address, which includes the booked Hotel name, address, price per overnight stay, currency, number of booking confirmation, and the Hotel rules (time of arrival, booking cancellation, charged for failure to arrive and failure to inform, etc.);

2.1.5. To inform the Cardholder that, if the Cardholder fails to cancel the overnight stay reservation and fails to notify the Hotel of that within 24 hours after receipt of overnight stay booking confirmation, the Hotel will acquire the right to charge for one night's stay (No Show).

2.1.6. To indicate to the Cardholder a precise amount of funds to be reserved by the Hotel in the Card and to reserve it only if the Cardholder has given his/her consent to reservation of the specific amount of funds.

3. Hotel accommodation booking with Advance Payment

3.1. Upon receipt of the Cardholder's request for accommodation booking with Advance Payment, the Hotel must perform the following actions:

3.1.1. To submit to the Cardholder the description of intended services, booking conditions, date of providing the services, payment amount, booking cancellation conditions, and refund conditions;

3.1.2. To inform clearly the Cardholder if Advance Payment is non-refundable;

3.1.3. To enter manually the Card data provided by the Cardholder in the POS terminal and charge (complete the Authorisation) the entire amount to the Card;

3.1.4. To send a confirmation of overnight stay reservation to the Cardholder (after charging Advance Payment). The confirmation must include all information/conditions/terms indicated in item 3.1.1.

3.2. Limitations and rules:

3.2.1. The amount charged to the Cardholder cannot exceed the price of 14 days' stay (not applicable to VISA cards);

3.2.2. If the Cardholder cancels accommodation booking in accordance with the Hotel rules, the Hotel must refund the pre-charged amount to the Cardholder. To make a refund the Hotel must contact the Bank;

3.2.3. In the case of Advance Payment the Hotel cannot charge the No Show fee;

3.2.4. The Hotel enters "Advance payment" on the booking documents/POS terminal receipt.



4. Cancellation of hotel accommodation booking with Advanced Payment

4.1. If the Cardholder requests the Hotel to cancel accommodation booking which was pre-charged, the Hotel:

4.1.1. Generates a booking cancellation number and submits it to the Cardholder to be used in order to avoid disputable situations in the future;

4.1.2. Sends a confirmation of reservation cancellation to the Cardholder;

4.1.3. Submits a request to the Bank to refund the charged funds if according to the Hotel rules the Cardholder is entitled to full or partial refund.

4.2. No return of funds to the account indicated by the customer is recommended.



CHECKING IN INTO THE HOTEL

5. Checking in into the Hotel:

5.1. In the case of booking without Advance Payment, when the Cardholder arrives at the Hotel, the Hotel:

5.1.1. Gives the Cardholder a guest registration card to complete and sign;

5.1.2. Asks the Cardholder for the Card and inspects it based on the Description of Payment Card Identification Features published on the Bank's internet website
https://www.dnb.lt/sites/default/files/dokumentai/bendri/korteliu_atpazinimo_pozymiu_aprasymas_20171001.pdf;

5.1.3. During the Cardholder's check in, in order to fix the customer's Card availability, necessarily completes the Transaction Pre-authorisation (reserves the amount for intended services) or Authorisation (payment for intended services) using the Card physically (by inserting the Card into POS terminal if it is smart or swiping through POS terminal if it is magnetic). The Pre-authorisation and Authorisation is completed according to the POS terminal user instruction;

5.1.4. If the Cardholder stays at the Hotel longer than intended initially, the Hotel performs a new Pre-authorisation or Authorisation for an additional amount. It is necessary to add all the Pre-authorisation and Authorisation receipts to the guest registration card.

5.1.5. If no PIN code request is made by POS terminal for the specific type of the Card, to register the Transaction the Hotel:

5.1.5.1. Asks the Cardholder to provide a personal identification document – passport, driver's licence, or personal identity card.

5.1.5.2. Matches the data on the Card with the personal identification document.

5.1.5.3. Gets the Cardholder's signature on the receipt.

5.2. In the case of booking with Advance Payment, when the Cardholder's arrives at the Hotel, the Hotel:

5.2.1. Gives the Cardholder a guest registration card to complete and sign;

5.2.2. Asks the Cardholder to provide the Card and informs the Cardholder that the Pre-authorisation for other paid services will be completed;

5.2.3. Checks whether the Card number matches the Card number provided during Hotel accommodation booking with Advance Payment:

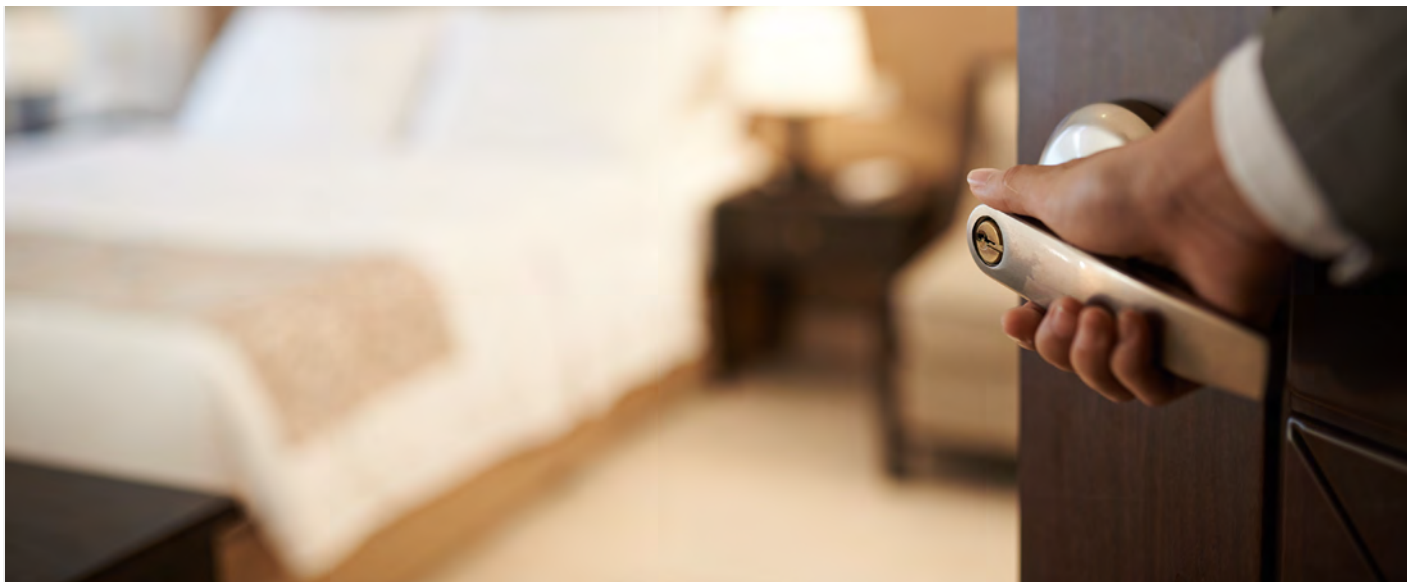
5.2.3.1. If the Card number matches the Pre-authorisation is completed for additional paid services using the POS terminal to read the Card physically. In such the way, the Card participation in the Transaction is confirmed. Upon completion of the Transaction a receipt is attached to the guest registration card;

5.2.3.2. If the Card number mismatches (where one person checks in into the Hotel, whereas the Hotel services were booked by other person - the Cardholder), the Hotel must:

5.2.3.2.1. To complete the guest registration card in the name of the person who has arrived;

5.2.3.2.2. To charge to or reserve funds in the Card of the person who has arrived by inserting the Card or swiping it through POS terminal (subject to POS terminal request), by confirming the Transaction with a PIN or signature (without using the Manual Entry Function);

5.2.3.2.3. To refund the pre-charged funds to the account of the Card provided during the initial reservation. To make a refund the Hotel must contact the Bank.



6. The guest registration card must include:

- 6.1.** Hotel name, address, contact details, document No;
- 6.2.** Method of payment (cash, money transfer, Card payment, etc.);
- 6.3.** Not full Card No (the first six and the last four digits of the Card No), Card expiry date, Cardholder's name and surname on the Card;
- 6.4.** Cardholder's name, surname, address, contact details;
- 6.5.** Room number, accommodation price, check-in and check-out time, planned number of overnight stays, Hotel employee's contact details, list and description of additional services;
- 6.6.** Detailed list of the services provided to the Cardholder (WiFi, mini bar and the like) and their fees with the Cardholder's signature below it. Such phrases as "other expenses", "all losses" are not allowed;
- 6.7.** The Cardholder's consent that the Hotel completes a payment/charging transaction without the Card being physically present (i.e. by entering the Card data), should any expenses for additional services occur after the Cardholder's departure. This consent must bear the Cardholder's signature;
- 6.8.** Hotel rules, Transaction dates and amounts;
- 6.9.** The clause to be signed by the Cardholder separately: "I undertake to cover all expenses that the Hotel will incur during my stay at the Hotel. I agree that these expenses are charged to the Card specified in the guest registration card";
- 6.10.** Expenses charged by the Hotel to the Card are, for example, mini bar, bar, restaurant and the like.



CHECKING OUT FROM THE HOTEL

7. Checking out from the Hotel:

7.1. The Hotel's actions when the final amount matches the Authorised or Pre-authorised amount:

7.1.1. In the case of the Pre-authorisation completed with VISA, MasterCard card, the Sales Completion transaction is performed for the final amount;

7.1.2. In the case of the Authorisation completed – no actions are performed.

7.2. The Hotel's actions when the final amount is below the Authorised or Pre-authorised amount:

7.2.1. In the case of the Pre-authorisation completed with VISA card, the final amount is multiplied by 0.85. If the result is lower than the Pre-authorised amount - the Sales Completion is performed. After funds debiting, the amount reserved during the Pre-authorisation may remain blocked on the Card account. Normally the Card issuing banks, without an additional request, on their own automatically (within 7-15 days) cancel reservations of funds made during the Pre-authorisation. Should the Cardholder request to accelerate cancellation of reservations made during the Pre-authorisation, the Hotel may submit a request to the Bank for the initial Pre-authorisation cancellation. Upon receipt of the Hotel's request, the Bank sends the Pre-authorisation cancellation request to the Card issuer's bank who is responsible for the Pre-authorisation cancellation.

7.2.2. In the case of the Pre-authorisation completed with Mastercard card, the Sales Completion for the final amount is performed and, subject to the Cardholder's request, the Hotel may submit a request to the Bank for the initial Pre-authorisation cancellation (the same as in item 7.2.1);

7.2.3. In the case of the Authorisation completed (funds debiting) or booking with Advance Payment, a request to refund a difference is filed to the Bank.

7.3. The Hotel's actions when the final amount is above the Authorised or Pre-authorised amount:

7.3.1. In the case of the Pre-authorisation completed with VISA card, the Pre-authorised amount is multiplied by 1.15 and compared with the final amount. If the final amount is lower than the result, the Sales Completion for the final amount is performed, if the final amount is higher than the result, the Sales Completion for the Pre-authorised amount is performed and a new Authorisation for a difference is completed;

7.3.2. In the case of the Pre-authorisation completed with Mastercard card, the Sales Completion for the Pre-authorised amount is performed and a new Authorisation to cover a difference is completed;

7.3.3. In the case of the Authorisation completed (debiting of funds), a new Authorisation to cover a difference is completed using the Card physically.



PAYMENT FOR ADDITIONAL SERVICES AFTER THE CARDHOLDER'S DEPARTURE

8. Payment for additional services after the Cardholder's departure:

8.1. If the Hotel, after the Cardholder's departure, finds out that the Cardholder was using additional services but not paid for them and in the guest registration card the Cardholder agreed that the Hotel charges expenses for additional services to the Card, then the Hotel by means of POS terminal completes the Authorisation with the Card data manually entered and enters "S. O. F" (Signature on File) on the terminal receipt.

8.2. The Hotel sends the POS terminal receipt, a copy of the guest registration card and a detailed invoice to the Cardholder.

8.3. In accordance with the rules of the International Payment Card Organisations the Hotel cannot deduct Additional Payments in the absence of the Card user in those cases where the Hotel's property is missing or damaged (for example, furniture, towels, etc.).

8.4. In the case of any disputes arisen regarding the Cardholder's stay at the Hotel, the Hotel must have the guest registration card with the Cardholder's signature and the POS terminal receipt confirming the Transaction when the Card was used physically (to read the Card magnetic stripe or chip).

9. No Show fee charging, if applicable to the Hotel's operation:

9.1. If the Cardholder neither arrived at the Hotel on the date indicated on the booking confirmation nor informed the Hotel of the booking cancellation, the Hotel charges the No Show fee by means of POS terminal deducts a penalty for failure to arrive and failure to inform in the amount that cannot be higher than 1 night-stay cost (this condition must be included in the Hotel rules with which the Cardholder is familiarised at the time of booking a reservation).

9.2. Prior to the No Show fee deduction the Hotel must allow the Cardholder to cancel the reservation without charging a penalty within 24 hours from sending the booking confirmation to the Cardholder.

9.3. The Hotel must hold a reservation (free room) at least 24 hours from the agreed start of stay, unless the Cardholder cancels it within a period provided in the booking conditions. If the Cardholder arrives at the Hotel within 24 hours from the agreed start of stay, but the reservation has not been held, the Hotel must provide the Cardholder with similar services for the same agreed price, unless specifically agreed otherwise.

9.4. The Hotel completes the No Show Transaction and enters "No Show" on the Cardholder's signature line of the POS terminal receipt .

9.5. One copy of the POS terminal receipt, together with a copy of the invoice and a copy of the booking confirmation, are sent to the Cardholder to the address indicated in the booking request.

9.6. In the case of Advance Payment the Hotel cannot charge the No Show fee.



10. Hotel cooperation with third parties:

10.1. In those cases where the Hotel receives, keeps and transmits the Hotel accommodation reservations and the Card data using third-party services (providers of accommodation reservation services) and in the case of data protection violations, the Hotel must cover all losses even in the case where a third party is responsible for data protection violations. Therefore in its agreements with a third party the Hotel should include a clause that in the case of data protection violations a third party assumes a portion of losses, or if this the case the agreement with a third party could be simply terminated.

10.2. The Hotel must ensure that a third party uses no public electronic mail for the Card data receipt and collection (inbox, gmail, yahoo, etc.).

10.3. The Hotel must fill in and, subject to further request of the Bank, update the Standard Risk Assessment Form.

10.4. At the request of the Bank, the Hotel must submit and update:

10.4.1. The valid list of providers of accommodation reservation services;

10.4.2. Information that is received by the Hotel from the providers of accommodation reservation services;

10.4.3. Standard compliance status of each provider of accommodation reservation services.

11. Standard requirements for hotels:

11.1. The Hotel should not store the Card data (full card number, expiry date, CVV/CVC code) in any information systems used, for example, e-mail, computer files, property management system or booking system, nor send the said data via e-mail, internet chat programs (e.g. Skype) and the like.

11.2. The Hotel should not store full Card numbers in its information systems, should not send them via e-mail.

11.3. If there is a reasonable business need it is allowed storing not full Card numbers in the following formats: 4123 45XX XXXX 0001 OR XXXX XXXX XXXX 0001.

11.4. When the Cardholder uses the Card for booking accommodation at the Hotel and paying got it, only the POS terminal provided by the Bank must be used or the Card data must be entered to the internet payment system (if the Bank makes such service available to the Hotel). The Bank takes due care of the security of the Card data entered in this case.

11.5. The Hotel must take efforts in order to receive the Card data from third-party systems (e.g. Booking.com) and avoid receiving of Card data directly, for example, via e-mail.

11.6. All paper data-carriers (printed letters, invoices, fax copies, etc.) containing sensitive Card data must be stored in lockable cabinets and safes with access granted only to those employees who necessarily need this information for performing their direct duties.

11.7. It is prohibited to store sensitive card data in an unencrypted electronic form.

11.8. It is prohibited to send unencrypted sensitive card data via e-mail or using other similar systems (e.g. internet chat programs, such as Skype). If sensitive card data are received via e-mail, such letters should be deleted not achieved.



12. Liability

12.1. The Cardholder's participation during initiating a Transaction must be registered as well as proved. If the Cardholders' participation is not proved, the Hotel is held fully liable for any disputable transaction.

12.2. All transactions using the Manual Entry Function on the POS terminal are related to a high risk, as it is difficult to establish whether a payment transaction was initiated and confirmed by the authorised Cardholder. Any disputes arisen are resolved for the benefit of the authorised Cardholder. All losses sustained by the Bank and/or the real Cardholder are borne by the Hotel as provided for in the Payment Cards Servicing Agreement entered into between the Hotel and the Bank and the Rules for Servicing of Payment Cards which make an integral part of the Agreement.

12.3. The Hotel in all cases is liable for the Bank's losses incurred due to incorrect/unauthorised transactions where the Card issuer debits funds from the Bank account.

13. Miscellaneous

13.1. The Bank has the right to amend these recommendations by publishing amendments on the internet website of the Bank.