პროკრედიტ ბანკი
ProCredit Bank
Georgia



Additional Contractual Conditions

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Section I

Article 1. Introduction

1. Additional contractual conditions (hereinafter Additional Contractual Conditions or this document) regulate the relationship between JSC ProCredit Bank (the Bank) and the Client(s), representing an integral part of the agreements concluded by and between the parties (hereinafter the Agreement) and defining additional contractual conditions between the parties.

2. The regulatory provisions defined in Chapters I and II of this document shall be common to all the agreements, to which this Agreement applies.

3. The Client is any person who is party to an agreement with the Bank, and this document is part of an agreement concluded with the Client. The term 'client' in every particular case, according to the context, may include one client or several clients jointly.

4. When the Client's personal or any other information (including: the the firm name and/or other personal/commercial data, etc.) is changed, the Client shall give a written notice of such changes to the Bank. Before the Client sends a written notice of changes to the Bank, the Bank shall have the right to act based on the information maintained with the Bank and in such case, any act of the Bank shall be relevant and lawful having full legal consequences.

5. The Client shall immediately notify the Bank in writing if the status/contents of any proxy/power of attorney submitted to the Bank is changed or cancelled; otherwise, the Bank shall be released from concomitant consequences and liabilities, including from the payment of damages to the Client or any third party.

6. Any type of electronic signature shall have the same legal effect as a personal signature on a hard-copy document either between the parties or to any third part(ies)y.

7. No party to this Agreement shall have the right to refuse to perform the terms and obligations provided for by this Agreement only on the grounds that he/she/it has not affixed his/her/its signature (hardcopy and/or electronic) on this document (the electronic version and/or hard copy of this document).

8. If the date of performance of obligations by the Bank coincides with the weekend or a holiday as defined by the Organic Law of Georgia Labour Code of Georgia or a holiday determined by the National Bank of Georgia on the basis of the Organic Law of Georgia on the National Bank of Georgia, JSC ProCredit Bank shall perform the obligations assumed on the following working day. For the purposes of the contractual conditions between the Bank and the Client, the working day shall coincide with the operation bank day.

9. The Client does hereby confirm that he/she/it follows, to the extent of his/her/its knowledge and as the relevant study shows, and will follow all environmental, health and labour safety standards applicable in Georgia.

10. Cancellation/invalidation of any of the provisions of the Agreement or this document concluded by and between the Bank and the Client shall not lead to the cancellation/invalidation of the entire Agreement/this document and/or other paragraph(s) thereof.

11. This document shall be available in the offices and on the website of the Bank at www.procredit-bank.ge , and the Client is free to view it without restraint.

12. In case of contradiction/inconsistency between the Georgian and English versions of the contracts or additional contractual conditions, the Georgian version prevails.

Article 2. Consent to personal data processing

1. Definition of terms provided in this Article:

   a) data processing - any operation performed in relation to the data by automated, semi-automatic or non-automatic means, in particular collection, recording, photographing, audio recording, video recording, organisation, storage, alteration, restoration, request for, use or disclosure by way of data transmission, dissemination or otherwise making them available, grouping or combination, locking, deletion, or destruction;

   b) information - any information containing banking, commercial, personal or biometric data.

   c) direct marketing - offering goods, services, employment or temporary jobs by mail, telephone call, e-mail or other means of telecommunication.

   d) locking of data - suspension of data processing.

2. Considering the provisions of the Law of Georgia on Personal Data Protection, which aims to ensure the protection of human rights and freedoms, and the provisions of the Law of Georgia on the Activities of Commercial Banks:

2.1. The client hereby consents and agrees that the bank may process any data of the client (the data - any information containing banking, commercial, personal, or biometric data), also to request/obtain information from JSC CreditInfo Georgia, transfer any data of the Client to JSC CreditInfo Georgia, request/verify information from/at the Public Service Development Agency, make information available for the bank shareholders and their controlling entities, make information available for other government and international organizations in the cases provided for by law, make information available for the third parties providing different services only for the following purposes:

- Providing any kind of banking services to the Client;
- For the purposes of the Bank, providing different types of research/services;
- Reporting to the bank shareholders;
- Making an expert examinations related to banking services;
- Direct marketing;
- Entering client data in the database of JSC CreditInfo Georgia;
- Participating in various (related to Visa, MasterCard, or other banking service) promotional activities.

This consent is given by the Client for the processing of data with the aforesaid purpose during the required period of time.

If a Framework Agreement is concluded with the Client (for the use of banking products/services), the Client shall grant an unconditional right to the Bank to process the client's data/information for the above-listed purposes and during the term of the above Framework Agreement, without additional consent of the client. The client's data processing during the term of Framework Agreement includes but is not limited to the verification of data with the database of JSC CreditInfo Georgia to consider the possibility of the bank to offer a particular banking product or service. Any effective Framework Agreement with the client shall be considered an automatic consent.

The data may be processed only to the extent necessary to accomplish the above goals. In addition, persons who process data shall ensure that the data are stored in a secure environment in accordance with internationally recognized security standards and best practices, and are exchanged via protected communication channels. The data are stored with the bank only for such time as is necessary to achieve the objective of data processing, considering the storage time determined by legislation and the bank regulations.

If the client does not give his/her consent to the data processing, the bank may refuse to provide services to the client and/or may terminate any agreement with the client.

The client may, at any time, except as provided for by law, demand that the bank stop using his/her personal data for marketing purposes and may claim back his/her processed data or ask to make corrections, updates, additions thereto, block,delete or destroy such data.

The client may, at any time, without explanation, reject the consent given by him/her and demand that the bank stop data processing and/or destruction of the processed data (this shall not apply to information regarding the client's performance of financial obligations processed with the latter's consent).

Additional information about personal data protection can be found at the following link: http://personaldata.ge/

Article 3. Making amendments and additions to this document

1. The Client authorizes the Bank to make amendments/additions in this document and/or banking service fees, without prior notice to and/or additional consent of the Client, at the Bank's own discretion, at any time, unilaterally and repeatedly, whereby:

   a) amendments shall be made in the existing rights and/or obligations, and/or new rights and/or new obligations of the Bank and/or the Client shall be determined;

   b) the amount of the current commission fee(s)/price(s)/other payment(s) shall be changed and/or new commission fee(s)/price(s)/other payment(s) shall be imposed.

2. All amendments/additions shall be entered in this document, and the amendments/additions in the rates/tariffs shall be defined in the relevant document of the Bank. Amendments/additions shall be made available for the clients in the offices and/or on the website of the Bank.

3. In order for the amendments/additions made in favour of the Bank to become effective, it is sufficient to post them in the offices and/or on the website of the Bank at www.procreditbank.ge at least two weeks before the amendments/additions take effect. If the Client does not agree to such amendments/additions, the Client may terminate the Agreement with the Bank and give a written notice to the Bank before such amendments/additions take effect; otherwise, the amendments/additions shall take effect and the Client shall not be authorized to dispute them and/or request their annulment/cancellation on any ground.

4. The Bank shall not be obliged to post the information about amendments/additions in advance, if such amendments/additions are introduced in favour of the Client.

5. The Client undertakes to periodically familiarize himself/herself/itself with the information about amendment(s)/additions posted in the offices and/or on the website of the Bank.

Section II

Article 4. General conditions

1. Banking product refers to any kind of credit (including credit lines, overdrafts, credit cards, etc.), letters of credit, bank guarantees and any other banking services.

2. The Client confirms that he/she/it is aware of Bank service fees and agrees to them. The Client shall pay all expenses relating to the issuance of Bank products and/or services.

3. The commission fee shall be withheld at the time when the Bank issues the banking product/service.

4. The purpose of the banking product shall be defined in the agreement concluded with the Client.

5. If any changes or additions are introduced to the agreement at the Client's request (including the conversion of the Client's outstanding debt from one currency to another), and if collateral (mortgage, pledge) is cancelled or replaced with another collateral, the Bank may demand, whereas the Client shall pay the service fee of no more than 1.5% of the outstanding debt for the main principal amount of the Banking product, and if collateral is replaced, no more than 1.5% of the estimated value of the applicable collateral (the amount will be defined by the Bank in each specific case), but no more than USD 500 equivalent of the corresponding currency of the banking product at the exchange rate established by JSC ProCredit Bank on the day of payment.

6. The late fee shall continue to be charged within 90 days after the breach of the Agreement, even if the Bank demands termination of the Agreement due to the Client's failure to perform or undue performance hereunder.

7. The Bank may transfer and/or assign all or any of its rights arising under this Agreement with the Client, under arrangements to ensure the repayment of the banking product and joint liability agreements, without the Client's consent, but upon providing prior written notice to the Client. The Client shall not assign all or any of its obligations to any other person without the Bank's prior written consent.

8. Any notice by the parties shall be in writing. Notice shall be deemed duly delivered if sent by registered mail or courier service to an addressee to the address specified by the Client, and confirmed by signature of an authorised person. The Client shall inform the Bank about any changes to his/her/its address; otherwise, the notice shall be sent to the old address and deemed to have been duly delivered to the Client.

9. The parties shall fulfil their obligations based on the applicable legislation of Georgia, concluded agreements and the present document.

10. Each party shall be obliged to keep confidentiality of all financial, commercial, professional and other information of the other party. Such information may be transferred to third parties only with the consent of the parties, or as permitted or required by law;

11. The Client undertakes to pay the Bank for all expenses incurred thereby in connection with this Agreement and all collateral/joint liability agreements related hereto, including the expenses of collecting data of the real property, shares and securities owned by the borrower/applicant/principal, pledger, mortgage owner, guarantor, joint debtor, and the expenses incurred in establishing the residential and/or business addresses of the borrower/applicant/principal, pledger, mortgage owner, guarantor, joint debtor.

12. The Bank shall be authorized to pass all information about the Client (both the Client and/or the Client's joint debtor) and the Client's loan to JSC CreditInfo Georgia for the purposes of registration in the CreditInfo database if the Client fails to pay loan instalments on the maturity date stipulated by this Agreement and/or this document, provided that the payment is overdue for more than 30 calendar days (in the case of private clients) or for more than 60 days (in the case of business clients). The Client shall also grant an unconditional right to the Bank to give positive feedback on the Client' loan (e.g. the Client's identification data, amount of the loan) to the above-mentioned organisation without obtaining additional consent from the Client. The Bank shall further be authorised, at any time and at any frequency, to request/receive any information on the Client stored in the database of JSC CreditInfo Georgia.

13. The Client shall be obliged to inform the Bank about any lawsuits that he/she/it is involved in as a plaintiff, defendant or third party and which exposes his/her/its property to risk.

14. The Client shall be obliged to send a prior written notice to the Bank if he/she/it takes out a loan from another bank and/or credit institution or undertakes any other type of financial liability in the future.

15. Any change in the agreement concluded in favour of the Client does not require the Client's consent and/or prior notice sent by the Bank.

Article 5. Accruing interest on the banking product amount

1. The Bank will start accruing interest on the banking product from the day the banking product was issued/the service was provided (in the case of loans, from the day the amount of the loan was transferred to the borrower's loan account).

2. Interest shall accrue on a daily basis; the number of days in a calendar year shall be 365.

3. The interest shall be calculated based on the annual interest rate and the actual number of calendar days, during which the Client uses the banking product.

Article 6. Changes in the interest rate

1. The Bank shall be authorised to change (increase by no more than 2%) the interest rate of the banking product unilaterally, at any time, without the Client's additional consent, on multiple occasions, if: the Client applies for/raises a loan at another commercial bank or credit institution, without submitting prior written notice to the Bank; the Client does not give an opportunity to the Bank, as stipulated by the agreement between the parties and/or this document, to inspect and monitor the utilisation of the issued banking product, and/or otherwise breaches the above-mentioned obligation; the Client, the mortgage owner, the pledger or the joint debtor fail to fulfil the obligation of signing mortgage, pledge or joint liability agreements to be concluded in the future to secure the agreements signed with the Client.

2. The Bank shall be authorised to unilaterally, without the Client's additional consent, on multiple occasions, change the agreement interest rate on any banking product, at any stage of its services, provided that the general economic environment in the country has significantly changed, which shall be confirmed by official agencies, and/or legislation has been enacted with regard to changes in the currency and credit system of Georgia.

3. If the Client does not agree to the changed interest rate, he/she/it shall notify the Bank in writing within seven (7) days after receiving the Bank notice of changes in the interest rate. If the Client fails to send a notice, the Bank's proposal for the changed interest rate shall be deemed as accepted. The new interest rate shall accrue on the banking product from the first day of the following month upon approval of the changes.

4. If the Client does not agree to the changed interest rate, he/she/it shall be obliged to refund/repay the full amount of the banking product, the accrued interest and the imposed late fee, and to pay for any inflicted damage/loss to the Bank within 15 days from the Bank notice.

Article 7. Special obligations of the borrower; changes in the interest rate in the case of default on this obligation

1. After the loan disbursement, the borrower shall ensure, within three months (in case of business clients) and one month (in case of private clients) that his's/her's/its's income /cash deposits and/or salary payment are transferred to and kept with JSC ProCredit Bank throughout the entire term of the agreement. The borrower shall also be obliged to maintain such income(s)/cash deposits and/or salary payment(s) with JSC ProCredit Bank during the entire term of the agreement. If any of the above-mentioned obligations are breached, the Bank shall be authorised to unilaterally, on multiple occasions, without the additional consent of the borrower, increase the interest rate stipulated in the loan agreement, at any stage of crediting, by no more than 2% (the interest rate shall be defined by the Bank in each case, not to exceed 2%).

2. If the borrower's income(s)/cash deposits and/or salary payment(s) are transferred from JSC ProCredit Bank, or are terminated for any reason, the Bank shall be authorised to unilaterally, on multiple occasions, without additional consent of the borrower, increase the interest rate stipulated in the loan agreement, at any stage of crediting, by no more than 2% (the interest rate shall be defined by the Bank in each case, not to exceed 2%).

3. The Bank shall be authorised to unilaterally, on multiple occasions, without additional consent of the borrower, increase the interest rate by a maximum of 3% if the borrower does not utilise the loan for the intended purpose, and/or fails to provide the documents of purposeful utilisation, and/or violates the conditions of the investment plan specified in this agreement (if any).

4. The Bank shall be authorised, at any time and at its own discretion, unilaterally reduce the interest rate in favour of the Client.

Article 8. Preconditions for issuing banking products

1. Banking products/banking services shall be issued/provided in the following cases:

1.1. the Client has provided the Bank with complete and accurate financial information with respect to the past and recent accounting periods of its business;

1.2. the Client confirms that he/she/it has read the standard conditions of the Bank under which the Bank does not provide funds for the following businesses which:

a) pose environmental hazards;

b) provide short-term investments in securities;

c) are associated with: the production and/or sale of weapons and/or military products; gambling; speculative currency activities; production and/or sale of tobacco; production and/or sale of alcohol beverages.

1.3. The Client shall be obliged to inform the Bank of any lawsuits that he/she/it is involved in as a plaintiff, defendant or third party.

2. The parties understand and agree that the Bank concludes the agreement with the Client based on the Client's representations and warranties (which are considered to be an integral part of the signed agreement) and under the condition that the Client shall duly perform all obligations undertaken. Accordingly, the violation of the above-mentioned representations and warranties or contractual obligations in general gives the Bank sufficient cause to unilaterally reject the provision of all or any services provided for by the agreement with the Client. In this case, the Client shall refund to the Bank any amounts received under the agreement within the period established by the Bank, including any interest accrued thereon, penalty imposed and all other amounts due, if any.

3. The loan shall be disbursed through the transfer of the loan amount by the Bank to the borrower's loan account after the borrower fulfils the undertaken obligations and all conditions of the agreements concluded to secure these obligations.

4. The Bank shall not be obligated to disburse loan.

Article 9. The Client's obligations in connection with his/her/its business

1. The Client shall be obliged to:

1.1. provide the Bank with changes and amendments in the previously presented constituent documents within three (3) days of their registration;

1.2. maintain accounting records according to the applicable legislation of Georgia:

1.3. conduct his/her/its business according to the applicable legislation of Georgia:

1.4. immediately notify the Bank of all facts, events or information that may have an impact on the fulfilment of the obligations stipulated in the agreement.

Article 10. Inspection of the use of banking products for the intended purposes

1. Throughout the term of the agreement with the Client, for the performance of the agreement, the Bank shall be authorized to:

   1.1 monitor the intended use of the loan and determine the actual state of the collateral;

   1.2 regularly familiarise itself with the Client's financial/economic situation and receive complete information and a set of documents reflecting the Client's business and financial operations;

   1.3 demand that the Client give bank representatives immediate access to inspect the collateral;

   1.4 demand that the Client give bank representatives immediate access to inspect the Client's business site.

2. Within 10 days of receiving a prior written notice from the Bank, the Client shall be obliged to present/provide documents evidencing the purposeful spending of the loan (agreements, VAT bills, invoices, declarations, receipts, etc.).

3. The Client undertakes to provide the Bank with its financial data within 10 business days of the request.

4. The Bank shall set the schedule and volume of inspections defined in this article at its own discretion.

Article 11. Prepayment (Early repayment/up-front repayment) of loan; and the prepayment fee

1. If the borrower or any third party fully or partially repays the loan before the due date, the borrower/third party shall pay the Bank 2% of the amount paid in excess of the loan instalment due in compensation for lost profits, or any other maximum interest, as stipulated by the regulations/ legislation of the National Bank of Georgia applicable by the time.

2. The commission fee for full or partial loan repayment before the due date may be reduced at the Bank's discretion to 0% if the Bank determines that the Client has repaid the loan from his/her/its own funds.

3. If the respective legislation does not restrict the Bank from defining the commission fee for full or partial loan repayment before the due date, the parties agree that the borrower or the third party shall pay the Bank 7% of the amount paid in excess of the loan instalment due if the borrower or the third party fully or partially repays the loan before the due date as the compensation for lost profits. The commission fee for full or partial loan repayment before the due date may be reduced at the Bank's discretion to 4% if the Bank determines that the borrower/third party has repaid the loan from his/her/its own funds.

4. If a private client repays maximum three instalments before the due date, the Bank may decide not to charge the early repayment fee. This condition shall apply only if the Borrower performs the aforesaid action once a month. The same conditions shall apply if the Client's loan is repaid by any third party.

5. The loan can be repaid before the scheduled maturity date only subject to giving a prior written notice to the Bank 5 working days before the proposed date of payment.

Article 12. Debt repayment

1. The banking product and the interest accrued thereon may be repaid by transferring funds to the Client's loan account.

2. Debt shall be deemed to be settled on time if the full amount due is available on the bank account by the maturity date (until 22:00) specified in the repayment schedule (not including deductions and withholdings, commissions, levies, instalments, or other fees). If the deductions and withholdings still need to be applied, they shall be charged at the expense of the Client. Payment shall be made on the second business day if the given day falls on any banking/national holiday. In addition, interest shall accrue on the banking product and paid before the following business day.

Article 13. Debt collateral

1. The Client shall immediately provide collateral for his/her/its obligations upon the Bank's request.
2. Within a one-month period from the Bank's written request, the Client shall be obliged to submit an insurance policy for the collateral assets, taking into account the banking product limit and the total annual interest rate. The Bank shall be stated as beneficiary in the insurance policy. The Client may provide a policy with one-year term but shall renew it annually three (3) days before the expiration date for the remaining term of the agreement made with the Client.
3. If the Client's financial state deteriorates or similar risks occur, and if the mortgage or pledge assets are destroyed, depreciated or damaged or their value is reduced, the Client shall be obliged to present other additional collateral, which shall be selected by the Bank.
4. The Client expressly represents and confirms that he/she/it is familiar with the concluded agreements (mortgage, pledge, etc.) and joint liability agreements, and unconditionally agrees with the conditions thereof.
5. The Client's obligations shall also be secured by mortgage, collateral, joint liability and other agreements to be concluded in the future to secure the obligations arising under this Agreement.

Article 14. Termination of the agreement and solicitation of banking products

1. In addition to the grounds defined in the agreement with the Client, the Bank may also unilaterally terminate the agreements with the Client before the date of expiry, declare all banking products, accrued interests and penalties owing hereunder immediately due and payable, and claim damages for full or partial default on obligations under this Agreement; whereas the Client shall meet all these requirements, provided that:

1.1. the object of mortgage or pledge signed in security of this Agreement is destructed, damaged or its value is reduced and the Client fails to provide additional collateral;

1.2. any circumstance arises that casts doubt upon the timely repayment of the banking product and/or that makes repayment of the banking product and the accrued interest obviously impossible to pay;

1.3. the Bank determines that the Client does not use the loan for the intended purposes, or the status of the Client's turnover exposes the Client's business to risk/danger;

1.4. during the agreement concluded with the Client, the court issues a verdict/decision against the Client, which may endanger solvency/cause insolvency of the Client, jeopardize the reputation of the Client, or be associated with the collateral for banking products, or the Client is declared to be bankrupt;

1.5. the Client breaches any obligation stipulated under Articles 8 and/or 10 of this document;

1.6. the Client breaches obligations related to the conclusion of the agreement and to the submission of additional collateral to the Bank;

1.7. the Client breaches any other obligation as stipulated by the agreement concluded with the Bank.

Article 15. Force majeure

1. The parties shall be excused from performing their obligations in the event of force majeure. At the same time, force majeure does not automatically lead to termination of the agreement concluded with the Client, however.
2. The party shall be obliged to notify the other party in writing about the force majeure events and the consecutive actions within the next twenty-four (24) hours.
3. Fulfilment of the obligations hereunder shall be postponed until the force majeure events have ceased.
4. If force majeure events continue to occur for more than three months, the parties are authorised to terminate the agreement or adapt it to the force majeure circumstances.

Article 15[1]. Insurance

1. The Client agrees and undertakes to provide, within a period of one month from the Bank's written request, insurance policy for the credit risk incurred in the event of death of the Borrower/impossibility of loan repayment (credit insurance policy of the life) and/or an insurance policy on collaterals signed to secure the banking product, taking into account the total amount of the bank product limit and annual interest rate, in accordance with the terms and conditions provided below;
2. Insurance shall be provided under the terms and conditions agreed with the Bank and through the insurance company acceptable to the Bank;
3. The Bank shall be named as beneficiary in the insurance policy. The policy may be submitted for a period of one year but it is mandatory to be renewed three days before the expiry of the term, in accordance with the remaining term of the agreement(s) signed with the Bank or the term agreed with the Bank;
4. The Client shall authorize the Bank to act in his/her/its name and at his/her/its expense; for the purposes of insurance, deal with any third party (including insurance companies); carry out any action related to insurance, change of insurer or renewal of insurance policy; conclude/sign agreements, statements or any other document; for the above-mentioned purposes, process and transfer the Client's banking and personal information to the insurance company as frequently as necessary. The Client's additional consent or permission shall not be required to exercise the rights referred to in this paragraph. If the Bank exercises the above-mentioned rights, the Client shall pay the insurance premium in the amount established by the insurance company selected by the Bank;
5. The Client shall be obliged to observe the conditions of the insurance agreement, also immediately notify the Bank and the insurance company of the occurance of any insured accident, and perform any action required by the insurance company to compensate for the insured accident;

Section III

Article 16. Framework agreements

1. If a framewok agreement is concluded between the Bank and the Client, the banking product can be issued subject to the limits specified in the framewok agreement, also in a currency different than the one specified in the framewok agreement according to the official exchange rate established by the National Bank of Georgia effective as of the date of signing the agreement.

2. If the framewok agreement is concluded with an individual entrepreneur, the loan can be issued to the physical person under the framewok agreement.

3. If the framewok agreement is concluded with a physical person, the loan can be issued to the individual entrepreneur under the framewok agreement.

Article 17. Agreement for business overdraft approval

1. The Bank shall be authorized to unilaterally, without the borrower's additional consent, increase the interest rate stated in the business overdraft agreement, at any crediting stage, up to 2% if the borrower does not ensure availability of average monthly credit turnover on its settlement (current) account(s) in the amount of the aforesaid business overdraft limit within 1 (one) month after the effective date of this Agreement, and if the borrower does not channel the whole credit turnover/all banking transactions through ProCredit Bank accounts within 3 (three) months from the effective date of this Agreement.

2. The Client states and confirms that all information about his or her obligations and financial performance (any kind of account, provisions or documentation relating to the financial performance and business operations, including tax accounts), as presented to the Bank on the agreement signing day, is true, accurate and complete. The Client is aware that if he or she submits false certificates for the purpose of obtaining a loan or increasing its amount and/or benefiting from favourable conditions, or avoiding to sue the funds for the stated purpose, the Bank may terminate, cancel and/or annul the concluded agreement or any integral part thereof. The Client is also aware that any such breach may also result in liability according to the Criminal Code of Georgia.

3. The Client shall be obliged to transfer and/or maintain 100% of his or her banking turnover with JSC ProCredit Bank. Should the Client violate the abovementioned obligation, or the obligation indicated in paragraph 1 of this article, the Bank shall be authorized, unilaterally and without notice, to reduce the overdraft amount at its discretion. The Bank is also authorised to require the Client to present additional collateral; in the event of the Client's failure to comply with this paragraph (within the established time), the Bank may restrict the Client's right to use the limit, i.e. limiting the withdrawal of funds in excess of the unused/existing balance on the Client's accounts (if the client uses the full limit, the repaid portion of the limit will not be renewed) until the above-mentioned obligations are performed fully and properly.

4. The Bank shall start to accrue interest on the overdraft amount from the day of approving the limit on the Client's current account. Interest shall be accrued on a daily basis; for this purpose, the number of days in a year is 365, and there are 30 days per month. The annual interest rate and the actual number of calendar days during which the credit is used are taken into consideration when accruing the interest.

5. If the amount of overdraft (principal and/or interest) is not repaid at maturity or is repaid in part, the Bank reserves the right to suspend the overdraft facility until the amount due is repaid in full. The Bank may then reconsider the advisability of the overdraft for the Client.

6. The Client undertakes the obligation to send written notice within three (3) business days informing the Bank of any changes to his or her financial state, or any other important changes in his or her situation.

7. Until the obligations under this agreement are discharged in full, the Client shall be obliged to submit his or her business-related financial information to the Bank in the accounting quarter prior to 30th day of the next month of the accounting quarter.

8. The Bank shall be authorized to unilaterally, without permission from the Client, change the overdraft limit without prior notice/warning to the Client, if the Bank learns that the Client's income has been reduced, or that the Client has additional loan obligations with other banks or institutions, or the Client's turnover in JSC ProCredit Bank has decreased.

9. The Bank shall be authorized to unilaterally, without prior notice/warning to the Client, terminate the agreement and require the Client to fully repay the accrued interest and a penalty if the Client violates the terms specified in the third paragraph of this article regarding the obligation of the Client to maintain 100% of his or her turnover in JSC ProCredit Bank.

10. If the Client fully or partially repays his or her loan/credits before the due date (due to refinancing with a loan from another Bank or another person's loan), he or she shall be obliged to first fully repay the business overdraft, including the accrued interest and any other applicable fees. Upon performing this obligation, the Client can request permission to fully or partially repay other credits/loans before the due date.

11. The Client may terminate the agreement at any time during the term of the Agreement.

12. The borrower shall completely adhere to the conditions stipulated by the business overdraft agreement for receiving/approving the credit/limit.

13. The Bank approves the limit stated in the business overdraft agreement if the borrower meets the undertaken obligations, including collateral and other obligations as indicated in the joint liability agreement.

Article 18. Credit line agreement

1. Pursuant to the credit line agreement made by and between the Bank and the borrower, during the period specified in the agreement, the borrower may repeatedly apply to the Bank for drawdown of funds from the credit line, provided that the total amount drawn on the facility does not exceed the maximum limit of the credit line specified in the agreement.

2. Drawdown applications shall be submitted two (2) business days prior to the requested date of drawdown.

3. According to the credit line agreement signed between the Bank and the borrower, the borrower shall pay the Bank interest on the unused amount of the credit line (interest on the unused amount), as specified in the agreement, calculated on the basis of a calendar year consisting of 365 days.

4. The Bank shall be authorized to partially or completely refuse to issue a loan if the borrower does not meet the preconditions as stipulated in this document and/or the concluded agreement, as well as the conditions stipulated in the joint liability agreement; the Bank may also refuse to issue the loan if it considers the likelihood of repayment of the loan and its proper utilisation (i.e. for the stated purpose) to be doubtful.

5. If the financial analysis conducted by the Bank reveals that the Client's financial state has worsened, the Bank shall be authorized to refuse to issue the loan.

6. The Bank shall be authorized to charge, and the borrower shall be obliged to pay, a penalty/fine equivalent to up to 2% of the total amount (the amount will be defined by the Bank in each case), on every overdue day if the borrower does not provide the Bank with timely notice regarding his or her financial state or any changes or amendments made to the previously submitted documents.

Article 19. Short-term loan agreement

1. The Client is aware that the loan shall be issued only on the basis of the short-term loan agreement concluded with the Bank and only if the Client meets each requirement as stipulated in the agreement.

2. In order to settle the financial liabilities owed to the Bank, the borrower/third party shall either transfer the amount due to the respective account or pay (deposit) it directly at the bank's cash desk.

3. If the loan is issued in Georgian lari on the basis of a short-term loan agreement, the Bank shall be authorized to unilaterally, without obtaining permission from the Client, increase the interest rate stipulated in the agreement at any stage of its service according to the increase of the refinancing rate established by the National Bank of Georgia, or, if this is absent, an increase of the monetary interest rate.

Article 20. Agreement for overdraft approval

1. If the Client does not or only partially settles his or her overdraft debt (principal overdraft amount and interest), the Bank reserves the right to unilaterally terminate the overdraft until the debt is fully repaid. The Bank is then authorised to reconsider the advisability of issuing an overdraft to the Client.

2. If the Client does not repay the overdraft by the end of the applicable term, the Bank shall not charge any late fees from the 31st day of the grace period, and upon expiration of the grace period, the Bank shall impose late fees as stipulated in the agreement on each overdue day.

3. The Client undertakes the obligation to provide written notice to the Bank regarding any changes in salary amount, employment, or any other important information within three (3) business days.

4. The Bank reserves the right to unilaterally change the overdraft limit without prior notice/warning to the Client if the Bank learns that the Client's income has been reduced or that he or she has additional loans with other banks or institutions.

5. The Client may terminate the agreement at any time during the term of the Agreement.

6. The Client agrees to the Bank's periodic and automatic prolongation/continuation of the overdraft agreement on the expiration date of the current agreement. Upon expiration of the current agreement, the renewed agreement is subject to the same procedure of prolongation/continuation.

7. Except as otherwise provided for by this agreement and/or this document,, the Client's right to use the overdraft may be unilaterally annulled by the Bank if:

   7.1. The Client's salary, due to various deductions, is not sufficient to cover the overdraft and accrued interest.

   7.2. The Client's employment contract was terminated.

   7.3. The Client is on his/her paternal/maternal leave or/and unpaid leave (for more than one (1) month).

8. The Client shall be obliged to immediately inform the Bank if the circumstances stipulated in paragraph 7 of this article occur.

9. The Client shall be obliged to immediately repay the overdraft and the accrued interest, as well as any other debt owed to the Bank, in the event that the concluded agreement is terminated.

Article 21. Additional conditions for the loan agreements, interest rate tied to the LIBOR (London Interbank Offered Rate on a three-month deposit in USD)

1. **Definition of terms:**

   a) **"London Banking Day"** - a day which is a working/business day for the banks in London, United Kingdom.

   b) **"Interest changing period"** - three (3) calendar months.

2. The LIBOR is published with a respective period and currency by the British Bankers' Association on the basis of data provided by the participating, selected banks of the London Stock Exchange. The current rate can be found on the following website: http://www.bloomberg.com/quote/US0003M:IND.

3. The borrower can find out more about the changes in the loan agreement interest rate and payment schedule via his or her Internet Banking page with the Bank. The borrower shall be obliged to have an active Internet Banking account throughout the entire period of the loan agreement.

Article 22. Additional conditions for the loan agreements, interest rate tied to the refinancing rate established by the National Bank of Georgia (and in the event of the absence of a refinancing rate, tied to the monetary policy rate):

1. The refinancing rate (monetary policy rate) defined by the National Bank of Georgia is published on its website: www.nbg.gov.ge

2. The borrower can familiarise himself or herself with the changes in the loan agreement interest rate and payment schedule via his or her Internet Banking page with the Bank. The borrower shall be obliged to have reliable access to Internet Banking throughout the entire period of the loan agreement.

Article 23. Additional conditions for the loan agreements signed within the framework of the preferential agro-credit project:

1. **1. Definition of terms:**

   1.1 Tranche - disbursement of one current loan by the bank to the same borrower in parts, step-by-step, under the preferential agro-credit project which is not a parallel loan;

   1.2 Parallel loan - one or more ongoing loans issued to the borrower within the framework of the preferential agro-credit project;

   1.3 Preferential agro-credit project - "preferential agro-credit project" implemented within the framework of grant funding by the agency;

   1.4 Agency - non-commercial legal entity Agricultural Projects Management Agency (r/c 404923785), all of its assignees and legal successors;

   1.5 Targeted co-funding - partial financing of the annual interest rate by the agency to the borrower within the framework of the preferential agro-credit project.

2. If the borrower or a third party repays the loan before the maturity date in full or in part, the borrower shall pay the Bank 0% of the amount paid in excess of the loan instalment due (early repayment fee).

3. The borrower may repay the loan before maturity (including payment of instalments under the repayment plan) provided that the targeted co-funding is transferred by the Agency in full and all obligations undertaken by the borrower are properly discharged.

4. If the Bank and the borrower have an agreement on issuing the loan in the form of instalments (tranches), all following instalments are issued as long as the client has fulfilled the previous credit agreement.

5. The borrower agrees in advance and unconditionally authorises the Bank to transfer any loan applications, submitted documents and information about issued loans within the framework of the preferential agro-credit project to the agency, including: identification data of the borrower, the aim of the loan, amount, terms and interest rates, the amount of current loans, accrued interest, loan payment plan (including the repayment plan) as well as timeliness of payments, amount of remaining debt, securities and identification data, outcomes of any litigation and enforcement proceedings and any other information. The Bank is also entitled to obtain the abovementioned information from the agency.

6. The borrower shall immediately notify the Bank of the termination/suspension of targeted co-funding (if any).

7. Compound interest shall be charged in case of default on payment.

Article 24 - Bank guarantee agreement

1. The Bank guarantee shall enter into force from the day of issuance and is valid until the Bank guarantee expires unless it is terminated prematurely in an appropriate manner.

2. The guarantor must pay the beneficiary the guarantee fee defined by the Bank guarantee agreement upon the request of the latter in accordance with the terms of the agreement and the Bank guarantee document. The guarantor may refuse to pay the guarantee amount to the beneficiary, if the beneficiary's request is inconsistent with the terms and conditions of the Bank guarantee.

3. The beneficiary's written request should note that:

   3.1 The principal has breached his or her obligation to the beneficiary thus giving rise to a claim for a specific sum of money. The amount must be indicated in the beneficiary's written request.

   3.2. The written request shall be accompanied by documents (if any) proving the origin of the financial liability.

4. The guarantor shall immediately inform the principal about the beneficiary's request and provide a copy of the request and related documentation.

5. The principal shall submit to the Bank documents evidencing the performance of its obligations to the beneficiary (which are secured by this bank guarantee), immediately after each of such obligation is performed. Moreover, the principal agrees and the Bank retains the right to obtain such information directly from the beneficiary.

6. The principal shall submit to the Bank documents evidencing the performance of its obligations to the beneficiary (which are secured by this bank guarantee), immediately after each of such obligation is performed. Moreover, the principal agrees and the Bank retains the right to obtain such information directly from the beneficiary.

7. Interest will accrue on the amount of recourse stipulated in the Bank guarantee agreement from the moment the payment of the recourse amount is overdue by the principal.

8. The recourse amount is accrued on a daily basis, with the number of days per year equalling 365.

9. The Bank shall be authorized to demand full or partial payment of the recourse amount from the principal. The guarantor retains the right to choose to which the principal agrees.

10. The Bank may send a written request to the principal demanding early return of the recourse amount stipulated in the guarantee agreement, which must be fully repaid by the principal upon its receipt.

11. If the bank guarantee and the Bank's receivable interest is secured by the principal's personal amount (transferred to a collateral account with the Bank: deposits according to the guarantees), the amount will be returned to the Client's current account:

    10.1. In the case of a local guarantee, in five (5) calendar days after the expiration of the guarantee;

    10.2. In the case of an internationally verified guarantee, in fifteen (15) calendar days after the expiration of the guarantee.

12. The corresponding amount of interest to be received by the Bank in accordance with paragraph 10 of this article will be returned to the principal's current account upon the expiration of the guarantee given that the latter pays the scheduled interest amount with his or her own funds during the guarantee's validity period.

13. Upon the guarantor's request, the principal shall provide the guarantor with statements of its financial position and business operations, including tax accounts, in writing and within the time set by the guarantor.

Article 25. The following conditions also apply to letter of credit agreements:

1. Letter of credit commission fees stipulated in the agreement are determined by the rates and tariffs set by the Bank and the correspondent/confirming bank.
2. The applicant shall bear all costs and fees for the issuance of the letter of credit and related services, including:
   - 2.1. Letter of credit issuance fee: 0.2% of the letter of credit fee stipulated in the agreement. Minimum: USD 150
   - 2.2. Letter of credit amendment/cancellation commission fee: USD 150
   - 2.3. Fee for pre-advice of the letter of credit: USD 150
   - 2.4. Verification/examination of the documents unrelated to the letter of credit commission fee: The agreement stipulates an amount not more than 0.2% of the credit letter or a minimum of USD 150
   - 2.5. Document verification and payment commission fee: 0.2% of the credit letter or a minimum of USD 150
3. Letter of credit service fees/interest stipulated in the agreement is calculated for 365 days a year, and its payment schedule is defined in the annex which is attached to the letter of credit agreement
4. Interest will be charged on the letter of credit starting from the day of its issuance.
5. (Deleted).
6. Interest will start to accrue on the amount of the recourse set forth in the letter of credit agreement from the moment the applicant's recourse payment is overdue.
7. The recourse amount is accrued on a daily basis, with the number of days per year equalling 365.
8. The Bank shall be authorized to send a written request to the principal demanding early repayment of the recourse amount stipulated in the Bank guarantee agreement, which must be fully repaid by the principal upon its receipt.
9. By issuing a letter of credit to the applicant or any third party, the Bank accepts no responsibility for the actions or consequences that might be derived from or connected to the goods, supplies or other actions which can be related to the letter of credit agreement signed between the parties. The Bank is only involved with the documentation and not with the goods or services that might be related to these documents.
10. The Bank also takes no responsibly for the form, sufficiency, accuracy, genuineness, falsification or legal effect of any document, terms stipulated in the agreement, descriptions, as well as the quantity of the goods, weight, quality, condition, packing, delivery, value or existence of the goods, services or other actions stipulated in the document.

Article 26. Agreement on the terms of use of credit cards. Agreement on the terms of use of business credit cards.

1. **Credit card/business credit card (hereafter "card")** - Bank-issued plastic card with a credit limit permitted by the Bank. The card enables the cardholder or, in the case of a legal entity, the card user, to use the sum within the permitted limit.
2. **Client** - owner of the card or its user.
3. **Card user** - any adult person designated by the legal entity's representative-cardholder, whose name and surname is engraved on the business card and who is permitted to use the card. .
4. **Credit limit** - maximum amount of the credit which can be used by the Client with the credit card.
5. **Overdue date** - the calendar day following the due date.
6. **Overdue amount** - minimum or the fraction of the unpaid payment during the maturity period.
7. **Grace period** - period during which interest is not accrued on the used sum, which is a maximum of thirty six (36) calendar days. If the Client makes the full payment during the maturity period, no interest will be accrued on the amount used during the grace period. The grace period of each subsequent month is valid if the Client has fully repaid the sum owed no later than 21:00 pm on the last day of the previous month's repayment period.
8. **Non-working day** - Saturday, Sunday and holidays stipulated by Georgian legislation.
9. **Unauthorised credit** - expenditure over the credit limit.
10. The Client can benefit from an interest-free loan if full instalment is paid during the maturity period.
11. If the terms of the grace period do not apply to the used sum, then the interest shall accrue on the borrower's balance determined on the date of calculation.
12. The Client shall be obliged to pay the minimum instalment during the maturity period on a monthly basis; otherwise, the Bank will block the allowed limit on the card (restriction to use funds in excess of the unused balance on the Client's account). The minimum instalment shall be paid from the date of its calculation until the expiry of the maturity period.
13. If the Client fully pays the card debt (used amount, interest, penalty, etc.), the Bank may, at the Client's request, lift the abovementioned restriction on the card and/or discuss the advisability of allowing a limit on the Client's account.
14. If the Client has fully utilised the limit, the limit will not be renewed for the repaid part of the amount until the full and proper performance of the obligations, and the Client will be charged the minimum penalty for the unpaid part of the minimum instalment.
15. If the utilised sum is not paid in the period stipulated in the agreement, the Bank reserves the right to impose a penalty per overdue day in with the manner and in the amount stipulated by the agreement.
16. In the event of unauthorised use of credit, the Client shall immediately cover the spent sum upon notification or within the period specified by the Bank. In this case the penalty and interest is accrued according to the abovementioned terms and conditions.
17. In the event of early repayment of any loan/credit by the Client in full or in part (due to refinancing with a loan from another Bank or another person's loan), the Client must first repay the full amount of the limit allowed under contract, accrued interest and other payments. Thereafter the Client may request permission from the Bank to repay other loans/credits in full or in part before the maturity date.

18. The Client shall be obliged to fully repay the debt (used sum, accrued interest and penalty, commission fee) upon the expiration of the credit limit's validity.
19. If the grace period exceeds the effective term of the agreement, the last day of the grace period must be the last day of the agreement's effective term.
20. In the event of premature termination of the credit card/business credit card agreement signed with the Client, all credit cards/business credit cards issued under this agreement will be terminated.
21. No limit shall be allowed on the credit card for payment of taxes and levies due by the Client.
22. The Client shall be obliged to compensate the Bank for any expenses incurred by the Bank.
23. In the case of legal entities, the cardholder shall be obliged to inform the card user of the service tariffs and general conditions.

Article 27. General conditions for credit card use that apply to the agreement on credit card and business credit card usage

1. **Introduction**

1.1. The terms and conditions of credit card (hereafter "card") usage are defined by this article, the agreement on credit card usage, credit card service tariffs, Visa International system procedures and certain normative acts of the National Bank of Georgia.

1.2. The Bank gives the Client a credit card sealed in an envelope and ensures that the Client chooses a PIN for the card. Upon receipt, the Client signs the other side of the card in the designated space.

1.3. The PIN represents the Client's electronic identifier. It is used for transactions at ATMs and POS terminals.

1.4. The card user can change the PIN at any time whether or not the Client remembers the current PIN.

1.5. The Client pays the card fee on an annual basis, starting from the day the card is ordered until the card's expiry date. The fee will be debited based on the existing service tariffs from the Client's current account in the national currency or current foreign currency account/savings account, or from the allowed limit of a credit card. If the money is deducted from the account in a currency other than the national currency, the amount will be converted according to the Bank's internal commercial exchange rate.

1.6. When the Client orders a card, a security question and answer are solicited that are used to identify the Client on the phone. The Client is forbidden to share this information with third parties.

1.7. The Client can contact the Bank's call centre (phone number: +995 32 220-22-22, *2222), go through the identification process and receive information concerning card-related operations or block the card (if necessary).

2. **Card transactions**

2.1. With the card, the Client may check the following information:

- Cash operation - cash withdrawal from an ATM/POS terminal
- Cashless payments - payments via POS terminals or through the Internet

2.2. Any transaction from an ATM is verified with the Client's PIN; POS terminal transactions can be verified by a PIN or signature. The PIN is not required for Internet transactions.

2.3. If the transaction/withdrawal is made in a currency different from the card currency, the transaction will be reflected on the card statement in an equivalent amount. The exchange rate depends on the ATM/POS terminal network through which the transaction was performed:

- Conversions for transactions conducted on the Procredit Bank Georgia ATM/POS terminal network are carried out according to the Bank's internal exchange rate on the day of the transaction.
- For other ATM/POS terminal networks, conversion is carried out according to the exchange rate defined by Visa.

2.4. The actual date of the card transaction is different from the date on which it is reflected on the loan account and depends on the ATM/POS terminal network processing the transaction:

•Card transactions made on the Procredit Bank Georgia ATM/POS terminal network are reflected on the loan account on the following day.

•Internet transactions and transactions made via other ATM/POS terminal networks are reflected on the loan account after transaction processing by the payment system. The maximum transaction processing time is thirty (30) calendar days.

2.5. If the card transaction is cancelled, the cancelled transaction sum is transferred to the Client's current account and not to the card account.

2.6. The Bank sets a daily limit for ATM cash withdrawals and POS terminal/Internet payments. The daily limits are stated in the card service tariffs.

2.7. There is also a daily limit on the number of card transactions which is specified in the Card service tariffs.

2.8. Card transaction fees are payable by the Client.

2.9. The card may not be used for illegal purposes, including the purchase of goods and services which are prohibited by Georgian law.

3. **Card security rules**

3.1. A PIN is a four-digit number for personal identification. Remember that a PIN is confidential and must be known only to you. For security reasons, it is prohibited to:

- Reveal your PIN to other parties, including relatives, Bank employees, staff of retail and service facilities
- Make a note of, or write down your PIN, also refer to it in any form on the card
- Carry the PIN and card together
- Reveal the PIN via e-mail, telephone or other means of communication
- Use the PIN in instances other than at ATMs and POS terminals

Following these recommendations will maximise safety and help you to avoid card fraud and theft.

3.2. Payments with cards at retail and service outlets are made via magnetic stripes and/or electronic chip readers (at POS terminals.) Every ProCredit Bank POS terminal reads both chip and magnetic stripe cards. Payments made at ProCredit Bank terminals must be verified by PIN; this protects both the Client and the merchant.

3.3. Always request that transactions at merchant facilities are carried out in your presence and do not give the card to staff.

3.4. Always pay attention to the amount, currency and date indicated on the receipt when you make a purchase and sign the receipt or enter the PIN and ask for a copy of the receipt. Make sure that your confidentiality rights are not violated when entering the PIN.

3.5. In order to use the card at an ATM one must enter the PIN. Check the ATM to ensure that it has no visual abnormalities and that there are no additional devices installed on it.

3.6. Internet purchases require the full card number, card expiry date, the Client's name and last name and the CVV2 (Card Verification Value) code. The CVV2 code consists of the last three digits located on the back of the card across the signature line.

3.7. For safety reasons, it is forbidden to:

- Give the card to any third party or reveal the information on the card, as this information is sufficient to carry out unauthorised purchases.

3.8. For safety reasons, it is recommended to:

- Use your card only on secure and familiar websites that require CVV2/CVC safety code to approve purchases.. Protected web pages generally start with "https" and not "http". Moreover, protected web pages always have protection trademarks, e.g. Verified by Visa, Secure Code, etc.

- Keep track of the card and monitor card transactions. The Bank will send you an SMS about transactions carried out with your card.

3.9. The Bank will never contact you to request your card number, PIN or CVV2 code.

The card security rules are provided in detail in the "Banking Service Conditions" that are available at the Bank offices and on the Bank website. The Client has read and agrees to the "Plastic Card Security Guide" provided in the "Banking Service Conditions".

4. **Card usage terms**

4.1. The Client may make the following changes during the card's validity period: turn the CVV2 code on/off, block/unblock the card, raise the daily withdrawal/expenditure limit, or cancel the card.

4.2. The Client will not be able to make purchases on the Internet if the web page does not request a CVV2 code confirmation. In such cases, the Client must ask the Bank to turn off the CVV2 code. The Client may ask to have the CVV2 code reactivated at any time. If the code is reactivated, the Client is not released from responsibility for all online transactions.

4.3. All requests for changes must be submitted in writing by the Client. The Client may go to any Branch/Service Centre/Service Point to make the change. The Client can also contact the Bank's call centre to make a change at the following phone numbers: +995 32 220-22-22, *2222.

4.4. If the card is lost or stolen and the Client does not notify the Bank about the loss immediately, the Client shall be liable for any transactions made before the Bank was notified about the lost or stolen card.

4.5. If the card is lost or stolen, the Client may ask to have the card number added to the international stop list, which ensures that the card is completely blocked.

4.6. The card may be on the international stop list for two weeks at a time; the Client must then submit a new request for another two-week period.

4.7. Card numbers are added to international stop lists according to specific regions.

4.8. Placement of the card on the international stop list entails a service fee to be paid by the Client.

4.9. The Client may submit a request to have the card unblocked within fifteen (15) calendar days after the card was blocked.

4.10. The Bank automatically cancels the blocked card fifteen (15) calendar days after the card was initially blocked, without giving any additional notice to the Client. The cancelled card cannot be restored.

5. **Rights and obligations of the Client**

5.1. The Client shall read and comply with the general terms and conditions of the card service.

5.2. The Client shall return the card to the Bank within fifteen (15) calendar days after the expiry of the card or its pre-term closure.

5.3. The Client shall keep all the transaction documents (invoice receipts) for the card and regularly check the card statement, at least once a month.

5.4. The Client has the right to obtain information about card transactions.

5.5. If the Client does not recognise a transaction, he or she shall be obliged to contact the Bank within sixty (60) calendar days after the transaction; otherwise, the transaction will be considered to be accepted by the Client and the Bank will not accept any requests for a refund.

5.6. Any disputes concerning the quantity or quality of goods and services purchased with the card must be resolved with the merchant. In such cases, the Client is not released by the Bank from the financial liability for the disputed transaction.

5.7. The Client shall be obliged to pay the credit card service fees, which are determined by the Bank card service rates.

6. **The rights and obligations of the Bank**

6.1. The Bank has the right to unilaterally change the general terms of use and tariffs for the card without notifying the Client. The Bank will post the information about the changes in its Branches and Service Centres in visible places two weeks prior to the changes. The Client shall be obliged to view the changes.

6.2. If the Client disagrees with the changes made to the general service terms and tariffs, then he or she shall be obliged to inform the Bank in writing about closing the card before the changes come into force; otherwise, the service will be extended with the changed conditions of service and tariffs.

6.3. The Bank shall keep the Client's personal details and card transaction data (transactions performed, account balances, etc.) confidential, except where the law provides otherwise and/or where such information is related to the participation in the international card system.

6.4. The Bank shall be obliged to provide the Client with a card statement upon request.

6.5. The Bank is not responsible for the quantity/quality of goods/services purchased by the Client with the card.

6.6. The Bank may block the Client's card without his or her prior consent if:

- There is reasonable suspicion of unauthorised card operations. In such cases, the Bank will block the card until the transaction details are clarified, for no more than fifteen (15) calendar days.
- The Client did not make the minimum required payment specified in the contract for card usage.

6.7. The Bank may cancel the card if:

- The prepared card was not picked up by the Client within three months after the order
- The card was not picked up by the Client during 3 (three) months from the date the card was retained by an ATM;
- The Client has payments that are 90 days overdue.

Article 27[1]. Definition of terms for the loan agreement issued within the cooperation with the European Investment Bank (EIB)

"Allocation Letter" means the letter by way of which the EIB shall notify the Bank which projects and amounts are approved to be financed with funds provided by the EIB.

"Allocation Request" means the request submitted by the Bank to the EIB supported by a list of projects that the Bank requests to be financed with the funds provided by the EIB.

"Environment" means the following, in so far as they affect human health and social well-being:

(a) fauna and flora;

(b) soil, water, air, climate and the landscape; and

(c) cultural heritage and the built environment.

And includes, without limitation, occupational and community health and safety.

"Environmental Laws" means:

(a) EU law, including principles and standards, to the extent implemented by the laws of Georgia or specified by the Bank prior to the date of this Contract;

(b) Georgian national laws and regulations; and

(c) applicable international treaties of which a principal objective is the preservation, protection or improvement of the Environment.

"Financing of Terrorism" means the provision or collection of funds, by any means, directly or indirectly, with the intention that they should be used or in the knowledge that they are to be used, in full or in part, in order to carry out any of the offences within the meaning of Articles 1 to 4 of the EU Council Framework Decision 2002/475/JHA of 13 June 2002 on combating terrorism.

"Money Laundering" means:

(a) the conversion or transfer of property, knowing that such property is derived from criminal activity or from an act of participation in such activity, for the purpose of concealing or disguising the illicit origin of the property or of assisting any person who is involved in the commission of such activity to evade the legal consequences of his action;

(b) the concealment or disguising of the true nature, source, location, disposition, movement, rights with respect to, or ownership of property, knowing that such property is derived from criminal activity or from an act of participation in such activity;

(c) the acquisition, possession or use of property, knowing, at the time of receipt, that such property was derived from criminal activity or from an act of participation in such activity; or

(d) participation in, association to commit, attempts to commit and aiding, abetting, facilitating and counselling the commission of any of the actions mentioned in the foregoing points.

"Prohibited Conduct" means any Financing of Terrorism, Money Laundering or Prohibited Practice.

"Prohibited Practice" means any:

(a) Coercive Practice: meaning the impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of a party to influence improperly the actions of a party;

(b) Collusive Practice: meaning an arrangement between two or more parties designed to achieve an improper purpose, also to influence improperly the actions of another party;

(c) Corrupt Practice: meaning the offering, giving, receiving or soliciting, directly or indirectly, of anything of value by a party to influence improperly the actions of another party;

(d) Fraudulent Practice: meaning any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party in order to obtain a financial or other benefit or to avoid an obligation; or

(e) Obstructive Practice: meaning in relation to an investigation into a Coercive, Collusive, Corrupt or Fraudulent Practice in connection with this Loan or the Project:

(i) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or

(ii) acts intending to materially impede the exercise of the contractual rights of audit or access to information.

"Sanctioned Person" means any individual or entity listed in one or more Sanction Lists.

"Sanction Lists" means:

(a) any economic, financial and trade restrictive measures and arms embargoes issued by the European Union pursuant to Chapter 2 of Title V of the Treaty on European Union as well as Article 215 of the Treaty on the Functioning of the European Union, including but not limited to those as made available in the official EU websites: http://ec.europa.eu/external_relations/cfsp/sanctions/consol-list_en.htm and http://eeas.europa.eu/cfsp/sanctions/docs/measures_en.pdf, as amended and supplemented from time to time or on any successor page; or,

(b) any economic, financial and trade restrictive measures and arms embargoes issued by the United Nations Security Council pursuant to Article 41 of the UN Charter including but not limited to those as made available in the official UN website http://www.un.org/Docs/sc/committees/INTRO.htm, as amended and supplemented from time to time or on any successor page.

Section IV

Article 28. Mortgage agreement

1. By signing the agreement, the owner of the mortgaged item confirms that:

   1.1. The mortgaged property is not withdrawn from or limited in circulation and is held by the owner on the basis of property rights.

   1.2. Mortgaging the item does not contradict the law, other legislative acts and does not violate the rights and interests of legally protected people.

   1.3. The property does not have any feature that will result in loss or damage after its exposure; the property is suitable for operation.

2. The mortgaged item can be changed only with the Bank's consent.

3. If the property is destroyed, damaged or the right to the property is cancelled, the owner shall be obliged to restore the property or exchange it for another property equal in value with the consent of the Bank within an acceptable period of time; moreover, if the value of the property diminishes or there is a risk that it will diminish, the Bank may demand and the owner shall mortgage or pledge additional property in favour of the Bank, at the Bank's option and within the time set by the Bank in accordance with the terms and conditions of the mortgage agreement, or shall provide any other collateral to secure the obligations.

4. The owner shall be obliged to:

   4.1. Preserve the real value of the property, keep it safe, and protect the property from infringement and requests by third parties. If there is any danger to the property's existence, the owner must seek to negate this risk within five (5) days.

   4.2. Immediately notify the Bank if there is a risk of loss or damage to the property.

   4.3. Bear all expenses associated with maintenance of the property until the mortgage period is over; perform routine maintenance and major repairs on the property.

5. The Bank has the right to inspect the property and verify the property's existence, condition and storage conditions and require the owner to take the measures necessary for the maintenance of the property.

6. The Bank has the right to request the transfer of management rights of the property, if it turns out that the owner is unable to perform his or her duties.

7. The Owner may use the property for intended purposes and shall prevent deterioration of said property and reduction of its value beyond normal tear and wear.

8. If the mortgaged item is transferred into direct ownership and the value of the mortgaged item does not fully cover the amount of the requested loan, the parties agree that in such cases the secured claim will not be considered fully satisfied but it will be regarded as being partially covered by the value of the mortgaged item.

9. Responsibility for property storage and the risk of accidental destruction or damage lies with the owner.

10. Any amendments or changes to the mortgage agreement are subject to the same procedures as signing a contract and registering it in the public registry, as provided for in the mortgage agreement itself.

Article 29. Collateral agreement

1. By signing this agreement, the pledger confirms that:

   1.1. The encumbrance of the property does not contradict the law, other legislative acts and does not violate the rights and interests of legally protected people.

   1.2. The property is free and clear from all liens or encumbrances in favour of third parties;

   1.3. The property does not have any feature that will result in loss or damage after its exposure; the property is suitable for operation.

2. The collateral can be changed only with the Bank's consent.

3. If the collateral item is changed for any reason, the total value of the collateral shall not be less than the value of the original item.

4. In order to determine the value of the collateral item, USD conversion to GEL and vice versa is performed in accordance with the National Bank's official exchange rate on the date of valuation.

5. If the property is lost, damaged or the right to the property is cancelled, the owner shall be obliged to restore the property or exchange it for another property equal in value with the consent of the Bank within an acceptable period of time; moreover, if the value of the property diminishes or there is a risk that it will diminish, the Bank may demand and the pledger shall encumber additional property in favour of the Bank, at the Bank's option and within the time prescribed by the Bank, or shall provide any other collateral to secure the claim covered by the agreement.

6. Security interest in the property shall become effective on the day the collateral agreement is signed.

7. The pledger does not have the right to change the location of the collateral item without the Bank's prior written consent.

8. If the collateral item is transferred to the Bank, it shall be located at the address indicated in the delivery and acceptance certificate.

9. The pledger shall bear all costs of property maintenance and the risk of its accidental loss.

10. The mortgagor shall be obliged to:

    10.1. Take the necessary measures to protect the property, including from abuse by third parties.

    10.2. Immediately notify the Bank of any risk of loss or damage to the property.

11. The Bank has the right to inspect the property and verify the property's existence, condition and storage conditions, and to require the owner to take the necessary measures for the maintenance of the property.

12. The pledger's right to utilise the collateral item is abolished upon the receipt of a written loan payment request from the Bank. The pledger shall be obliged to immediately transfer the property and related documentation to the Bank. The transfer of the property and documents is verified by signing the delivery and acceptance certificate.

13. Expenses incurred to recover the property and arrange an auction shall be borne by the borrower and the pledger.

14. The amount remaining after deduction of the bank's claims and expenses will be paid to the pledger.

15. Except as otherwise stipulated by the collateral agreement, the Bank may issue a property sale notice/warning if the borrower violates the procedure for changing the collateral item.

16. The pledger may at any time have the sale notice or the sale of property cancelled by repaying the debt secured by the collateral agreement.

17. If the collateral is transferred into direct ownership and if the collateral item does not fully cover the amount of the requested loan, the parties agree that in such a case the secured claim will not be considered as being fully satisfied but will be regarded as being partially covered by the value of the collateral item.

18. The Bank may demand early performance of the collateral agreement obligations in the following cases:

    18.1. the pledger fails to provide additional property as mortgage, collateral or any other security for the obligations under the collateral agreement due to the depreciation of property;

    18.2. the property is lost due to consequences for which the Bank is not responsible;

    18.3. the pledger fails to fulfil any conditions contemplated by the collateral agreement.

19. Upon cancellation of the registered security interest, the Bank shall issue to the pledger a written document certifying the debt repayment and consequent cancellation of the security interest which must be presented to the registration office. Within five (5) days after receipt of this document, the pledger shall register the cancellation of the security interest in the Public Register. Costs of registration shall be borne by the pledger.

20. All expenses associated with the transfer of the collateral item to the Bank, its maintenance and safekeeping during the time it is held by the pledger, including expenses for delivering the property back from the Bank shall be borne by the pledger.

21. The Bank may relocate the collateral item or transfer it to a third party for safekeeping by sending a notice to the pledger.

22. If working capital is pledged as collateral, the pledger shall maintain a record of all the transactions which resulted in a change of the collateral amount. The pledger shall be obliged to submit a registration book to the Bank at its first request.

23. Any amendments or changes to the collateral agreement are subject to the same procedures as signing a contract and registering it in the public registry, as provided for in the collateral agreement itself.

Article 30. Assignment (cession) agreement

1. The assignor shall furnish to the Bank all documents in its possession concerning the assigned claim.
2. The assignor understands and agrees that the Bank has the right to submit this assignment agreement directly to any third party and to demand that the third party perform its obligations to the assignor in favour of the Bank.
3. The Bank may demand that third party obligations to the assignor be satisfied in its (Bank's) favour to the extent of the assigned claim.
4. The assignment agreement shall be valid until the full and proper performance of obligations under the secured loan agreements.

