Essential Terms and Conditions of the Agreement

Supplemental Loan Agreement No ___

The city of __ __ 20__

Loan interest rate

Interest rate type:

(During the period from - / - / ---- to - / - / ---- inclusive – fixed; --% per annum)[1]

(During the period from - / - / ---- to - / - / ---- inclusive – fixed; --% per annum

During the period from - / - / ---- to - / - / ---- inclusive – indexed; --% per annum

(Refinancing rate) (EURIBOR) (Term SOFR) plus -- %)[2]

(During the period from - / - / ---- to - / - / ---- inclusive – indexed; -- % per annum.

(Refinancing rate) (EURIBOR) (Term SOFR) plus -- %)[3]

In the case of refinancing rate:

(The Bank may unilaterally, repeatedly, without further authorisation of the Borrower, automatically increase/decrease the interest rate by as many percentage points as the refinancing (monetary policy) rate increases/decreases but no less than ---% and no more than ---% per annum.)

In the case of EURIBOR:

(The Bank may unilaterally, repeatedly, without further authorisation of the Borrower, automatically increase/decrease the interest rate once every -- month by as many percentage points as the EURIBOR increases/decreases but no more than ---% per annum; if EURIBOR is less than zero, then it equals to zero.)

In the case of Term SOFR:

(The Bank may unilaterally, repeatedly, without further authorisation of the Borrower, automatically increase/decrease the interest rate once every -- month by as many percentage points as the Term SOFR increases/decreases but no less than ---% and no more than ---% per annum.)

The effective interest rate: --- % (The effective interest rate of the loan is calculated on the assumption that the index valid at the time of entering into the Agreement will be unchanged during the validity of the Agreement.)[4]

Financial costs:

Monthly payments ((principal and interest): (GEL/USD/EUR ___; payment at the end of the term GEL/USD/EUR ----.)[5] (According to the attached schedule.)[6] (Payments shall be made according to the index change)[7]

Insurance costs: **GEL ___**

---

[1] If the loan is granted only at a fixed interest rate
[2] If the loan is granted only at a fixed and indexed interest rate (the mixed interest rate loan)
[3] If the loan is granted only at an indexed interest rate
[4] Only for loans with an indexed interest rate
[5] If the payments determined by the Loan Repayment Schedule are equal
[6] If the payments determined by the Loan Repayment Schedule are not equal
[7] Only for loans with an indexed interest rate

Loan disbursement fee: ___

Cash withdrawal fee: ___

Cash transfer fee: ___

Security Agreement registration cost: **GEL** ___

Notarial costs: **GEL** ___

Origination fee: ___

Other contractual information:

Total loan amount: GEL/EUR/USD ____

Total repayment amount: GEL/EUR/USD ____

Loan Agreement and Loan validity period: _____ months

The consumer IS entitled to reject this contract without specifying any grounds within 14 (fourteen) calendar days from the conclusion/delivery of this contract. For detailed information please see Article 8[1] of the „Additional Contractual Conditions“ posted on the official website www.procreditbank.ge.[8]

The consumer is NOT entitled to reject this contract under the law of Georgia „On the protection of Consumer Rights“ and/or 09.03.2021 order of the President of the National Bank of Georgia on "The Regulation on the Protection of Consumer Rights in the Provision of Services by Financial Organizations".[9]

Early repayment fee: a) In instances of refinancing a loan denominated in GEL with a loan issued in the same currency from another financial institution, or a loan denominated in foreign currency with a loan issued in any foreign currency from another financial institution, wherein the borrower constitutes either a natural person or a legal entity, and the aggregate principal amount does not surpass two million GEL (or its equivalent in an alternate currency), the early repayment fee shall not exceed 0.5% of the paid-up capital. b) In instances of refinancing a loan denominated in GEL with a loan issued in the same currency from another financial institution, or a loan denominated in foreign currency with a loan issued in any foreign currency from another financial institution, wherein the borrower constitutes a legal entity and the aggregate principal amount exceeds two million GEL (or its equivalent in an alternate currency), or irrespective of the loan amount, in cases involving early repayment by the borrower, whether a natural person or legal entity, utilizing its own funds, the specified conditions shall apply. (During the period of variable interest rate accrual, the early repayment fee is calculated according to the term remained before the end of the Agreement: a) 0% - if there are less than 6 months left before the expiry of the agreement; b) 0,5% - if there are 6 to 24 months left before the expiry of the agreement; c) 1% - if there are more than 24 months left before the expiry of the agreement.) (During the period of fixed interest rate accrual, the early repayment fee is calculated according to the term remained before the end of the Agreement: a) 0% - if there are less than 6 months left before the expiry of the agreement; b) 0,5% - if there are 6 to 12 months left before the expiry of the agreement; c) 1% - if there are 12 to 24 months left before the expiry of the agreement; d) 2% - if there are more than 24 months left before the expiry of the agreement.) (During the period of indexed interest rate accrual, the early repayment fee is calculated according to the term remained before the end of the Agreement: a) 0.5% - if there are more than 6 months and 0% if there are less than 6 months left before the expiry of the agreement.)

In the case of a grace period of the loan, first, the interests/penalties/any expenses accrued during the grace period are subject to full payment (if any).

---

[8] If the consumer has right to reject the contract

[9] If the consumer has NO right to reject the contract

Late payment fee: __% of the overdue loan amount per day in arrears. Besides, the calculated amount of penalties provided/imposed by this Agreement and financial sanctions of any form shall not exceed the maximum amount established by law at each time of overdue payment.

In case of changes to the essential terms and conditions of this Agreement, the Bank shall notify the customer no less than 2 (two) months before the change, and in case of an increase in the price of another financial product – no less than one month before the increase, in writing or via email or Internet Banking or short text message or telephone call.

Foreign currency loans pose a significant currency risk to consumers. Exchange rate fluctuations may significantly increase monthly payments denominated in GEL.

The effective interest rate on the loan in case of potential 15% annual depreciation of GEL: __%[10]

(The effective interest rate in case of an increase of Term SOFR by 3 percentage points: -- %)
(The effective interest rate in case of an increase of EURIBOR by 3 percentage points: -- %)
(The effective interest rate in case of an increase of the Refinancing Rate by 5 percentage points: -- %)[11]

In case of dissatisfaction or remark, the customer may file a complaint orally, in free written, standard written or electronic form, or apply other mechanisms provided for by legislation for filing complaints. The Bank responds to complaints within no more than 1 (one) month from the receipt.

Information useful to customers is available on the National Bank of Georgia website at www.nbg.gov.ge/cp or via hotline – 032 2406406.

[10] The provision in red colour refers only to loans disbursed in foreign currency
[11] Only for loans with an indexed interest rate

Supplemental Loan Agreement No __

The city of __ **__ __ 20__**

Article 1

1.1 The Bank: JSC ProCredit Bank; identification number: 204851197

1.2 The Borrower: (Full name (P/N __), address)

Article 2

The Bank shall grant a loan to the Borrower under the terms and conditions of this Agreement.

2.1 Total loan amount: GEL/EUR/USD __

2.2 Interest rate on the loan: --% per annum

2.3 Interest rate type:

(During the period from - / - / ---- to - / - / ---- inclusive – fixed; --% per annum)[12]

(During the period from - / - / ---- to - / - / ---- inclusive – fixed; --% per annum

During the period from - / - / ---- to - / - / ---- inclusive – indexed; --% per annum

(Refinancing rate) (EURIBOR) (Term SOFR) plus -- %)[13]

(During the period from - / - / ---- to - / - / ---- inclusive – indexed; -- % per annum.

(Refinancing rate) (EURIBOR) (Term SOFR) plus -- %)[14]

In the case of refinancing rate:

(The refinancing (monetary policy) rate as determined by the National Bank of Georgia (NBG). The refinancing (monetary policy) rate at the time of granting the loan is -- %. The Bank may unilaterally, repeatedly, without further authorisation of the Borrower, automatically increase/decrease the interest rate by as many percentage points as the refinancing (monetary policy) rate increases/decreases but no less than ---% and no more than ---% per annum**.** The refinancing (monetary policy) rate determined by the NBG is publicly available on the NBG website at www.nbg.gov.ge**.)**

In the case of EURIBOR:

(The average annual EUR interest rate, rounded to the nearest hundredth, determined (or set) based on quotations by the leading banks in the European domestic banking market for a ___-month deposit in EUR (hereinafter – the EURIBOR). For loan purposes, the EURIBOR interest rate is -- %. The Bank may unilaterally, repeatedly, without further authorization of the Borrower(s), automatically increase/decrease the interest rate once every ___ month by as many percentage points as EURIBOR increases/decreases, but no more than the annual __ %. If EURIBOR is less than zero, then EURIBOR is considered zero. For the purposes of the Agreement, EURIBOR of the relevant maturity, calculated and published two banking days before, shall be used. For the purposes of the Agreement, the EURIBOR shall be updated if the Bank transaction day and EURIBOR publication day is a banking/business day. The current EURIBOR rate is available at the following website: https://www.global-rates.com/en/interest-rates/euribor/**.)**

In the case of Term SOFR:

(The forecast __-month average of the USD-denominated Secured Overnight Interbank Funding Rate (SOFR) published by the CME GROUP (hereinafter – the Term SOFR). For loan purposes (published by CME Group, rounded to the nearest hundredth), the Term SOFR interest rate is --%. The Bank may unilaterally, repeatedly, without further authorization of the Borrower(s), automatically increase/decrease the interest rate once every ___ month by as many percentage points as Term SOFR increases/decreases, but no less than the annual __% and no more than the annual __ %. Term SOFR is set based on market expectations for financial instruments. The calculation method covers the average interest rates of financial instruments available on the business day preceding the publication of Term SOFR, which in turn are based on the interbank secured overnight financing rates (SOFR). For the purposes of the Agreement, CME Term SOFR of the relevant maturity, calculated and published two banking days before, shall be used. For the purposes of the Agreement, Term SOFR shall be updated if there is a banking/business day for the Bank and CME Group. The current rate is available at the following website: https://www.cmegroup.com/market-data/cme-group-benchmark-administration/term-sofr.html. Data update takes place daily**.)**

---

[12] If the loan is granted only at a fixed interest rate

[13] If the loan is granted only at a fixed and indexed interest rate (the mixed interest rate loan)

[14] If the loan is granted only at an indexed interest rate

2.4 **Monthly payments** (principal and interest): GEL/EUR/USD __ **Payment at maturity:** GEL/EUR/USD __)[15] (According to the Repayment Schedule attached)[16] (Payments shall be made according to the index change)[17]

2.5 Total repayment amount: GEL/EUR/USD __

2.6 Loan Agreement and Loan validity period: __ months

2.7 Amount to be withdrawn from the total loan amount, less financial expenses: __

2.8 Effective interest rate on the loan: __ % (The effective interest rate of the loan is calculated on the assumption that the index valid at the time of entering into the Agreement will be unchanged during the validity of the Agreement.)[18]

(The effective interest rate in case of an increase of Term SOFR by 3 percentage points: -- %)
(The effective interest rate in case of an increase of EURIBOR by 3 percentage points: -- %)
(The effective interest rate in case of an increase of the Refinancing Rate by 5 percentage points: -- %)[19]

2.9 Loan disbursement fee: __

2.10 Insurance costs: __

2.11 Cash withdrawal fee: __

2.12 Cash transfer fee: __

2.13 Security Agreement registration cost: __

2.14 Notarial costs: __

2.15 Origination fee: __

2.16 Early repayment fee: a) In instances of refinancing a loan denominated in GEL with a loan issued in the same currency from another financial institution, or a loan denominated in foreign currency with a loan issued in any foreign currency from another financial institution, wherein the borrower constitutes either a natural person or a legal entity, and the aggregate principal amount does not surpass two million GEL (or its equivalent in an alternate currency), the early repayment fee shall not exceed 0.5% of the paid-up capital. b) In instances of refinancing a loan denominated in GEL with a loan issued in the same currency from another financial institution, or a loan denominated in foreign currency with a loan issued in any foreign currency from another financial institution, wherein the borrower constitutes a legal entity and the aggregate principal amount exceeds two million GEL (or its equivalent in an alternate currency), or irrespective of the loan amount, in cases involving early repayment by the borrower, whether a natural person or legal entity, utilizing its own funds, the specified conditions shall apply. (During the period of variable interest rate accrual, the early repayment fee is calculated according to the term remained before the end of the Agreement: a) 0% - if there are less than 6 months left before the expiry of the agreement; b) 0,5% - if there are 6 to 24 months left before the expiry of the agreement; c) 1% - if there are more than 24 months left before the expiry of the agreement.) (During the period of fixed interest rate accrual, the early repayment fee is calculated according to the term remained before the end of the Agreement: a) 0% - if there are less than 6 months left before the expiry of the agreement; b) 0,5% - if there are 6 to 12 months left before the expiry of the agreement; c) 1% - if there are 12 to 24 months left before the expiry of the agreement; d) 2% - if there are more than 24 months left before the expiry of the agreement.) (During the period of indexed interest rate accrual, the early repayment fee is calculated according to the term remained before the end of the Agreement: a) 0.5% - if there are more than 6 months and 0% if there are less than 6 months left before the expiry of the agreement.)

2.17 In the case of a grace period of the loan, first, the interests/penalties/any expenses accrued during the grace period are subject to full payment (if any).

2.18 **Late payment fee**: __% of the overdue loan amount per day in arrears. Besides, the calculated amount of penalties provided/imposed by this Agreement and financial sanctions of any form shall not exceed the maximum amount established by law at each time of overdue payment.

2.19 This Agreement is secured/will be secured by future Security Agreement(s).

2.20 Insurance of the secured property (collateral) shall be mandatory if the Bank so requires it.

2.21. **Type of Credit: (retail loan)(business loan)**

2.22. The consumer IS entitled to reject this contract without specifying any grounds within 14 (fourteen) calendar days from the conclusion/delivery of this contract. For detailed information please see Article 8[1] of the „Additional Contractual Conditions“ posted on the official website www.procreditbank.ge.[20]

---

[15] If the payments determined by the Loan Repayment Schedule are equal
[16] If the payments determined by the Loan Repayment Schedule are not equal
[17] Only for loans with an indexed interest rate
[18] Only for loans with an indexed interest rate
[19] Only for loans with an indexed interest rate
[20] If the consumer has right to reject the contract

The consumer is NOT entitled to reject this contract under the law of Georgia „On the protection of Consumer Rights“ and/or 09.03.2021 order of the President of the National Bank of Georgia on "The Regulation on the Protection of Consumer Rights in the Provision of Services by Financial Organizations".[21]

Article 3

3.1 The Bank shall grant a loan to the Borrower under the terms and conditions of this Agreement.

3.2 **Purpose of the loan:**

3.3 Penalty:

3.3.1 Payment of the penalty shall not release the Borrower from the discharge of obligations assumed.

3.3.2 Penalty interests shall continue to accrue until the full discharge of obligations even if the Bank terminates the Agreement because of non-performance and/or improper performance of obligations assumed hereunder.

*** The wording below applies only to loans granted within the EU4Business - EBRD financing program.**

3/1 Special terms and conditions:

3/2.1 The project is implemented with the support of the EU4Business - EBRD - financing program to support small and medium-sized enterprises (SMEs).

- The EU4Business-EBRD financing program is a joint initiative of the European Union (EU) and the European Bank for Reconstruction and Development EBRD), which aims to finance investments for Georgian SMEs employing no more than 249 people.
- The program finances investments in fixed assets.
- Projects financed within the program will receive up to 15% grant incentive in the size of approved loans in case of successful completion of the project.

3/2.2 (a) Under the special terms and conditions of this Agreement, the Borrower expresses his/her written consent to the disclosure of the Borrower’s information and/or records of this loan and project to any representative of the EBRD and/or the EU (including the European Anti-Fraud Office (OLAF) and the European Court of Auditors).

(b) The Borrower shall ensure access to its personal, also loan- and project-related information, to allow periodic on-site inspections of the portfolio financed from the Bank's loan funds composed of sub-loans (EBRD loan), also shall give unhindered access to the project location for the EBRD, OLAF and European Court of Auditors.

(c) The Borrower acknowledges and agrees that the EBRD may disclose documents, information and records relating to the Borrower and this Agreement to the EU representatives, as the EBRD deems necessary, in the scope of reporting and other obligations imposed under the Donor Delegation Agreement.

(d) The Borrower is aware that the EU has no additional budgetary or transitional obligations other than donor participation pursuant to the agreement between the Bank and the EBRD.

(e) Within 5 (five) business days after receipt of the relevant funds by the EBRD, the Bank shall transfer the amount of the investment incentive to the relevant account specified by the Borrower.

(f) If the loan currency is not EUR, the verification consultant shall apply the exchange rate of the relevant currency to EUR set by the National Bank of Georgia (NBG) at the date of concluding the loan agreement to calculate the size of the loan investment incentive in EUR.

(g) The Borrower has been informed and agrees to the terms of payment of the investment incentive, also the Borrower declares and guarantees that if the investment incentive amount is transferred to the Borrower inaccurately and/or incorrectly, the Borrower shall refund the amount to the Bank within 10 (ten) business days upon request or receipt of the notice.)

Article 4

4.1 The complaint procedure implies filling in a free written or standard written complaint form (available at the Bank offices), or submitting a complaint form electronically, or registering a complaint form on the Bank's official website at www.procreditbank.ge. The Bank responds to a complaint within no more than 1 (one) month from the receipt, after having reviewed it by the structural unit responsible for the protection of consumers' rights at the Bank.

4.2 The loan and any interest thereon are subject to payment according to the Loan Repayment Schedule (Appendix No 1).

[21] If the consumer has NO right to reject the contract

4.3 There is no obligation of notification if the terms and conditions change in favour of the Borrower.

4.4 Any changes or additions to this Agreement shall be in writing. However, adherence to the written form and/or notification of changes/additions are not mandatory in the case of changes made in favour of the Borrower. The Bank may also unilaterally make changes and/or additions to the Agreement if the Borrower, Co-borrower, Joint Guarantor (if the loan is secured by joint guarantee) and/or the owner of collateral does not fulfil any contractual obligation.

4.5 The Bank and the Borrower enter into this Agreement based on the Framework Agreement No ____ signed by the parties. The Framework Agreement shall fully extend to this Agreement unless otherwise provided for hereby. 'Additional Contractual Conditions' defining various conditions and rights/obligations of the parties shall also apply to this Agreement. 'Additional Contractual Conditions' constitute an integral part of this Agreement and are binding upon the parties. 'Additional Contractual Conditions' are available both at the Bank offices and on the Bank website at www.procreditbank.ge. By signing the Agreement, the Borrower confirms that he has read, understands, and accepts the 'Additional Contractual Conditions', has no claims, and agrees to comply with them.

4.6 The Bank may process any (including banking, commercial, personal, and biometric) data of the Borrower(s) under the procedure defined in and for the purposes of the 'Additional Contractual Conditions', inter alia, request information from JSC CreditInfo Georgia, transmit information about the Borrower and/or this Agreement/banking product to JSC CreditInfo Georgia, receive the Borrower's data from the LEPL Public Service Development Agency.

4.7 If the loan amount exceeds GEL 2,000,000 or the equivalent in another currency, the Borrower shall apply to the Bank in writing 14 calendar days before the early loan repayment.

4.8 Any electronic signature, confirmation of the transaction by the signatory through Internet Banking agreed through email and/or any other reliable means of communication agreed between the parties, have the same legal force as the personal signature on a material document and the transaction is valid from the moment of confirmation. Such confirmation of a transaction cannot be subject to dispute because of the absence of a physical signature on a material document.

4.9 In case of significant changes to the terms and conditions of the Agreement, the customer gets informed at least 2 (two) months before changes, and in case of a price increase of other financial product - no less than one month in advance by a letter, e-mail, Internet Banking, text message service or phone call.

4.10 The supervisory body of the Bank is the National Bank of Georgia, domiciled at No 1 Zviad Gamsakhurdia Sanapiro, Tbilisi.

4.11 The Borrower declares to have read the terms and conditions of personal data processing available at the branch/on the website of the Bank and gives his consent to process his data to the extent necessary.

4.12 The parties have executed this Agreement in two equally binding counterparts to keep one counterpart with the Bank while giving the other counterpart to the party (parties).

Appendix No 1

Loan Repayment Schedule

The data in this Schedule are valid until the interest rate, index or other financial expense changes.

Date of disbursement: __ __ **20__**
Interest rate: __ % per annum
Loan amount: **GEL/EUR/USD __ (amount in words)**

Names of the loan schedule fields

#	***Date***	***Day***	***Monthly Payment***	***Principal***	***Interest***	***A portion of accumulated %***	***Remaining accumulated interest***	***Balance***