

## Standard Terms and Conditions of Payment Terminal Services

### 1. Definitions

Unless otherwise specified by the **Agreement** or its context the below definitions have the following meanings:

- 1.1. **Authorization** – the **Bank's** procedure to check a card and a its account status and approve a transaction;
- 1.2. **Bank** – JSC Bank of Georgia, identification code: 204378869.
- 1.3. **Card** – plastic card, non-cash settlement means for the payment systems.
- 1.4. **Application** – **Counterparty's** request filed to the **Bank** (in the form defined by the **Bank**) for the provision of payment terminal services in accordance with the conditions specified in the application.
- 1.5. **Party/Parties** – **Bank** and/or **Organization** (as the context may require).
- 1.6. **Organization** – legal entity(ies) and/or other organizational unit(s) accepting the **Standard Terms and Conditions**;
- 1.7. **Banking Day** – a day (other than Saturday, Sunday or other official days off under the Georgian Law), when commercial banks operating in Georgia are open for business and normal daily transactions.
- 1.8. **Card Transaction** – non-cash settlement transaction carried out with the use of a **Card** and via the **Payment Terminal**.
- 1.9. **Standard Terms and Conditions** – (a) these standard terms and conditions; (b) **Annex No. 1** and **Annex No. 2** of these **Standard Terms and Conditions**;
- 1.10. **Payment Terminal** – electronic device to carry out authorization.
- 1.11. **Agreement** – (a) the **Application**, (b) the **Standard Terms and Conditions** and (c) any additional **Annex** (if any), executed/to be executed by the **Parties** in the future under this agreement, including amendments and additions introduced to such documents from time to time.

### 2. Subject of the Agreement

- 2.1. The **Bank** provides the **Organization** with the **Payment Terminals** (number of the **Payment Terminals** on the site is defined by the **Bank** approved documents). The **Organization** uses the **Payment Terminals** to offer its customers the service which provides for the receipt of the cost of provided service and/or sold goods by the **Card**, while the **Bank** credits the resultant amounts to the **Organization's** account in the form and under the conditions of the **Agreement**.

### 3. Rights and Obligations of the Parties

- 3.1. **Organization** is authorized:
  - 3.1.1. to request from the **Bank** proper fulfillment of the obligations assumed under the **Agreement**;
  - 3.1.2. to suspend or terminate the **Agreement**, on the basis of a written notification, in case of gross violation of the obligations assumed under the **Agreement** by the **Bank**, in accordance with the conditions stipulated by the **Agreement**.
- 3.2. The **Organization** is obliged:
  - 3.2.1. to accept the **Payment Terminals** from the **Bank**;
  - 3.2.2. to request the **Card Authorization** only in national currency;
  - 3.2.3. to place the advertising and informational materials received from the **Bank** only in the venues agreed with the **Bank**;
  - 3.2.4. not to give information on the **Card Transactions** to third parties and not to allow them to use the data without the **Bank's** preliminary agreement;
  - 3.2.5. to use the **Payment Terminals** and corresponding materials only for the purposes of the **Agreement** and not to allow their loss/damage. In case of their loss/damage through the **Organization's** fault to pay the **Bank** the cost of the **Payment Terminals** and corresponding materials in 10 (ten) **Banking Days** since the receipt of the **Bank's** corresponding request on the fact of the damage/loss;
  - 3.2.6. in case of early termination of the **Agreement**, or in case of expiry of the term of effectiveness of the **Agreement** to return the **Bank** the **Payment Terminals** within 10 (ten) **Banking Days** since the termination or expiry of the **Agreement**. In case of failure to comply with this request to pay the **Bank** full cost of the returnable **Payment Terminals** within 10 (ten) **Banking Days** after the deadline specified in this paragraph elapses;
  - 3.2.7. for the purpose of ensuring protection of the **Bank's** special and exclusive right to use only the service of the **Bank** specified in this **Agreement**, which simultaneously excludes the use of similar service of other financial institutions and/or processing centers;
  - 3.2.8. to advise the **Bank** preliminarily, in a reasonable term, of any existing and/or expected changes, which are important for the fulfillment of purposes of the **Agreement**, the rights and assumed obligations of the **Parties**;
  - 3.2.9. when carrying out **Card Transactions** to treat equally all types of the **Cards**, which means without any doubt, that **Organization** will ensure unlimited acceptance for all types of **Cards** submitted by the customers;
  - 3.2.10. not to make statements, public appearances or any hints that a card of any type has advantage as compared with other cards;
  - 3.2.11. not to introduce additional conditions and limitations for the use of a card of any type other than those established for the cards of the remaining types;
  - 3.2.12. not to request from the **Card Holder** his personal requisites (telephone number, address and etc.) as a precondition for the receipt of the **Card**, save the cases when the **Bank** requests such information.
  - 3.2.13. not to ask the **Customer** to make and/or not to make itself the **Card** copy;
  - 3.2.14. save the interruptions due to technical problems not to deny the **Customer** the **Card Transaction**;
  - 3.2.15. not to divide the amount to be received in exchange for the provided service in order to avoid exceeding of the limit preliminarily established by the **Bank**;
  - 3.2.16. to keep electronic receipts and hand them over to the **Bank** within 2 (two) **Banking Days** since the **Bank's** written request;
  - 3.2.17. to carry out **Card Transactions** in accordance with the conditions defined by **Annex No. 2** to the **Agreement**;
  - 3.2.18. not to raise the price of the service to be rendered and/or **Goods** to be sold because any card holder expresses desire to use the **Payment Terminal**, as means to pay the cost of the provided service and/or sold **Goods**;
  - 3.2.19. not to transfer any rights and obligations under the **Agreement** to a third party without the **Bank's** preliminary written consent;
  - 3.2.20. to submit upon the **Bank's** request information about its own accounts existing in any other bank.
- 3.3. The **Bank** is authorized:
  - 3.3.1. to request from the **Organization** proper fulfillment of the obligations assumed under the **Agreement**;
  - 3.3.2. not to carry out any **Card Transaction** in case of violation of the instructions and rules included in **Annex No. 2** to the **Agreement**;
  - 3.3.3. to request the **Organization** to submit the **Payment Terminal** electronic receipts in accordance with the conditions defined by the **Bank**;
  - 3.3.4. to transfer without the **Organization's** preliminary consent, any rights and obligations to a third party in full and/or partially.
- 3.4. The **Bank** is obliged:
  - 3.4.1. to ensure uninterrupted **Authorization** during 24 (twenty four) hours as on **Banking** as on non-banking days;
  - 3.4.2. to advise the **Organization** preliminarily, in a reasonable term, of any existing and/or expected changes, which are important for the fulfillment of the rights and assumed obligations of the **Parties**, for purposes of the **Agreement**;
- 3.4.3. at any time, without the **Organization's** consent, to change the conditions stipulated by **Annex No. 2** to the **Agreement**.

### 4. Bank Commission Fee for Provision of Services and Settlement

- 4.1. Commission fee to be paid to the **Bank** by the **Organization** is defined in **Annex No. 1** to the **Agreement**.
- 4.2. Settlement transaction between the **Parties** shall be carried out by way of non-cash payment.
- 4.3. Any kind of monetary obligations defined by the **Agreement**, except the cost of services, shall be met (paid) within 10 (ten) calendar days since the date of origination of the monetary obligation (since the overdue day of discharging the obligation, the day of requesting to meet the liability for penalty, etc.). Further, if the day of discharging the obligation (payment day) falls on a non-business day or a day off, the next **Banking day** shall be used.
- 4.4. The settlement shall be carried out in Georgian national currency at the official rate established by the National Bank of Georgia on the payment date.
- 4.5. In the course of non-cash settlement the amounts shall be placed on the bank account of the respective **Party** defined by the **Agreement** or other bank account additionally agreed by the **Parties**.

## 5. Responsibility

- 5.1. In case of non-fulfillment or improper fulfillment of obligations stipulated by the **Agreement**, the **Parties** shall be held responsible on the conditions and in the manner established by legislation of Georgia and this **Agreement**. Each **Party** shall compensate to another **Party** any direct or indirect damage caused by non-fulfillment or improper fulfillment of obligations.
- 5.2. The **Bank** shall not be held responsible for disputes arising between the **Organization** and the **Card** holder, unless such dispute relates to the subject of the **Agreement**.
- 5.3. If the **Organization** fails to meet any of the obligations assumed under the **Agreement**, the **Bank** shall be authorized to impose on the **Organization** payment of penalty in the amount of GEL 1000 (one thousand) and deduct such amount from the amount of the next payment and/or write off from the account of the **Organization**, unless other condition is defined by the **Agreement**.
- 5.4. If the **Organization**:
- 5.4.1. fails to meet the obligation defined in sub-paragraph 3.2.7 of the **Standard Terms and Conditions**, the **Bank** shall be authorized to impose and the **Organization** shall be obliged to pay in such case a penalty equal to five-fold sum of the amounts paid by the plastic cards as a result of transactions performed within last three months (which implies the total amount of transactions performed via any terminal and card), which shall not be less than the five-fold amount of effective cost at the moment of transfer of the **Payment Terminals** to the **Organization**.
- 5.4.2. fails to meet the obligation defined in sub-paragraph 3.2.14, the **Bank** shall be authorized to impose and the **Organization** shall be obliged to pay in such case a penalty in the amount of GEL 300 (three hundred) per each breach.
- 5.4.3. fails to meet the obligation defined in sub-paragraph 3.2.18, the **Bank** shall be authorized to impose and the **Organization** shall be obliged to pay in such case a penalty equal to five-fold amount of the cost at the moment of transfer of the **Payment Terminals** to the **Organization**;
- 5.4.4. in case of early termination of the **Agreement** (except for cases envisaged by sub-paragraph 6.1), the **Bank** shall be authorized to impose and the **Organization** shall be obliged to pay in such case a penalty equal to six-fold amount of the cost at the moment of transfer of the **Payment Terminals** to the **Organization**.
- 5.5. In spite of the guarantees defined by paragraphs 5.1, 5.3. and 5.4 of the **Standard Terms and Conditions**, in order to secure the fulfillment of obligations assumed by the **Organization** under the **Agreement** in full and properly and therefore to secure the **Bank's** rights and claims, the **Organization** preliminarily gives consent to the **Bank's** full authority to do the following at its own discretion:
- 5.5.1. to deduct from the amount of the next payment the amounts already transferred by the **Bank** to the account of the **Organization** which, pursuant to the rules of international payment systems, represent a dispute subject and carry out deduction even in case if the **Organization** does not have by that moment corresponding amounts and in such case the **Organization** shall be responsible to cover the resultant indebtedness in full;
- 5.5.2. not to pay the **Organization** the dues envisaged by the **Agreement** (commission fee for service, etc.) and/or deduct such amount from the amount of the next payment which will in the same volume be set-off against the dues (penalty, damage (loss) compensation, etc.) payable by the **Organization** to the **Bank** under the **Agreement**;
- 5.5.3. to write off without acceptance all payables from any account of the **Organization**, and if the payable amount and the amount on the account are in different currencies, the **Bank** shall carry out the conversion at its commercial rate effective on the day of payment and write off without acceptance the cost of conversion service from the account and use the converted amount to cover the corresponding payable amount.

## 6. Term of Effectiveness

- 6.1. The **Agreement** shall enter into force since the moment of its signing by the **Parties** and stay effective until full and proper fulfillment by the **Parties** of their respective obligations;
- 6.2. Unless three months prior to expiration of the term of the **Agreement** one of the **Parties** notifies another in writing on its desire to terminate the **Agreement**, the **Agreement** shall be tacitly extended for the same term;
- 6.3. The **Agreement** can be terminated in the following cases:
- 6.3.1. due to expiration of the term of the **Agreement**;
- 6.3.2. upon the written agreement of the **Parties**;
- 6.3.3. if the *Force Majeure* circumstances envisaged by the **Agreement** last for more than 45 (forty five) calendar days;
- 6.3.4. on the basis of a written notice served by the **Organization** to the **Bank** not less than 90 (ninety) days in advance, if the **Bank** is in breach of any of the obligations assumed under the **Agreement** and such breach is not remedied within 30 (thirty) calendar days since the written notice of the **Organization**;
- 6.3.5. by the **Bank**, on the basis of a written notice served to the **Organization** not less than 15 (fifteen) calendar days in advance. Furthermore, the **Bank** shall be authorized to terminate the **Agreement** on the basis of a notice served in a shorter term, if the **Organization** is in breach of any of the obligations assumed under the **Agreement**;
- 6.3.6. in other cases stipulated by legislation.

## 7. Representations and Warranties of the Parties

- 7.1. The **Parties** represent and warrant that:
- 7.1.1. they are established in full compliance with legislation effective in Georgia;
- 7.1.2. they have full authority to sign the **Agreement**;
- 7.1.3. signing of the **Agreement** and carrying out actions envisaged by the **Agreement** do not/will not violate effective legislation, their charters and/or any other regulatory document.

## 8. Force Majeure

- 8.1. The **Parties** shall be relieved of the responsibility for non-fulfillment or improper fulfillment of obligations assumed under the **Agreement**, if it is affirmed that non-fulfillment or improper fulfillment of obligations was a result of emergency, insurmountable and non-avoidable occurrence of *Force Majeure* (acts of God, emergency situation or hostilities, civil disorders, strike, as well as establishment by the authorities of such normative or administrative restrictions that affect the fulfillment of obligations);
- 8.2. The **Parties** shall promptly notify each other in writing on occurrence and completion of *Force Majeure* circumstances.

## 9. Confidentiality

- 9.1. Each **Party** to the **Agreement** undertakes to keep confidential and not to disclose information related to the **Agreement** (except for the **Standard Terms and Conditions**) without written consent of the other **Party** except for the cases envisaged by legislation of Georgia.

## 10. Dispute Resolution

- 10.1. The **Agreement** shall be regulated and interpreted in accordance with legislation of Georgia.
- 10.2. The **Parties** shall endeavor to resolve any disputes or disagreement arising out of the **Agreement** through negotiations.
- 10.3. A claim of the **Party** shall be reviewed by another **Party** within 10 (ten) days since its receipt in writing.
- 10.4. If the **Parties** fail to reach an agreement through negotiations, a dispute shall be resolved in accordance with legislation effective in Georgia.

## 11. Final Provisions

- 11.1. The **Agreement** is drawn up in the Georgian language. If any of the **Parties** does not understand Georgian and/or its writing, or the **Parties** or one of the **Parties** wishes, then the **Agreement** may be drawn up in other languages acceptable to the **Parties**. When interpreting the **Agreement** the Georgian version shall prevail. These norms also apply to the relations between the **Parties** and/or preparation or interpretation of the **Agreement** and/or any other document.
- 11.2. Annulment of any of the articles and/or paragraphs of the **Agreement** based on legislation of Georgia shall not cause annulment of other articles and/or paragraphs. Instead of the annulled article and/or paragraph, new article and/or paragraph will be used which will allow the easy achievement of the goal envisaged by the **Agreement**.
- 11.3. Amendments and modifications to the **Agreement** and its Annex(es) may be introduced only in writing and they will come into force after their signing by the **Parties**.
- 11.4. The **Bank** is authorized to unilaterally change the **Standard Terms and Conditions** at any time.
- 11.5. Article(s), paragraph(s) and sub-paragraph(s) of the **Agreement** fully apply to the Annexes of the **Agreement**. Furthermore, in case of controversy between the terms of the **Agreement** and Annex, the terms of such Annex shall prevail.

**Standard Terms and Conditions of the Payment Terminal Services**

**Annex No. 1**

1. **Bank** fee for the service provision:

Value added tax:

The fee includes the VAT envisaged by the legislation of Georgia;

Other taxes and payables:

The fee includes other taxes and payables envisaged by the legislation of Georgia;

Conditions of payment:

The fee will be deducted/withdrawn without acceptance at a discretion of the **Bank**.

## Standard Terms and Conditions of the Payment Terminal Services

## Annex No. 2

Instruction for the Eurocard/Mastercard, VISA and Georgian Card servicing and security measures:

**1. Card identification:**

1.1. Eurocard/Mastercard Cards have the following design:

- 1.1.1. Obverse side of the **Card** displays:
  - 1.1.1.1. the system protection hologram, represented by two intersectional hemispheres of the Earth. Below is placed the system logo.
  - 1.1.1.2. 16-digit **Card** number is embossed in the middle of the **Card** (four-digit four groups). The **Card** number always starts at "5."
  - 1.1.1.3. **Bank** identification 4-digit number is embossed under the **Card** number.
  - 1.1.1.4. The validity date is embossed below the **Card** number. If the validity date indicates only the month and year, the **Card** is valid before the last day of the month.
  - 1.1.1.5. Next to the **Card** validity date is embossed a mark made by combination of two letters - "M" and "C".
  - 1.1.1.6. Name of the **Card** holder is embossed under the validity date.
  - 1.1.1.7. "M" and "C" letters in the right and left bottom corners of the **Card** when it is passed through ultra violet rays.
- 1.1.2. Reverse side of the **Card** displays:
  - 1.1.2.1. Magnetic stripe in the upper part of the **Card**.
  - 1.1.2.2. Signature stripe with three-color (red, blue, yellow) Mastercard inscription at 45 degree angle on it, signed by the **Card** holder upon its receipt. The signature has to be affixed in a legible manner with a ball pen.
  - 1.1.2.3. Mastercard logo in the **Card** bottom.

1.2. VISA Card has the following design:

- 1.2.1. Obverse side of the **Card** displays:
  - 1.2.1.1. the system hologram, represented by image of dove with the system logo under it.
  - 1.2.1.2. 16 or 13-digit **Card** number is embossed in the middle of the **Card** (four-digit four groups or the digits distributed as follows - 4, 3, 3, 3). The **Card** number always starts at "4."
  - 1.2.1.3. Above the **Card** number there is a 4-digit number, representing the bank identification number, which always matches with the **Card's** first four digits.
  - 1.2.1.4. The validity date is embossed below the **Card** number. If the validity date indicates only the month and year, the **Card** is valid before the last day of the month.
  - 1.2.1.5. Next to the **Card** validity date there is embossed a "V" mark, one side of which is vertical, another side is a slope of 45 degree angle.
  - 1.2.1.6. Name of the **Card** holder is embossed under the validity date.
  - 1.2.1.7. Image of dove in the middle of the **Card** when it is passed through ultra violet rays.
- 1.2.2. Reverse side of the **Card** displays:
  - 1.2.2.1. Magnetic stripe in the upper part of the **Card**.
  - 1.2.2.2. Signature stripe with blue VISA inscription at 45 degree angle on it, signed by the **Card** holder upon its receipt. The signature has to be affixed in a legible manner with ball pen. The signature has to be affixed in a legible manner with a ball pen.
  - 1.2.2.3. VISA logo in the **Card** bottom.

1.3. The Card of Georgian Card has the following design:

- 1.3.1. Obverse side of the **Card** displays:
  - 1.3.1.1. 16-digit **Card** number is embossed in the middle of the **Card** (four-digit four groups). The **Card** number always starts at „6“.
  - 1.3.1.2. The validity date is embossed below the **Card** number. If the validity date indicates only the month and year, the **Card** is valid before the last day of the month.
  - 1.3.1.3. Name of the **Card** holder is embossed under the validity date.
  - 1.3.1.4. "G" and "C" letters in the middle of the **Card** when it is passed through ultra violet rays.
- 1.3.2. Reverse side of the **Card** displays:
  - 1.3.2.1. Magnetic stripe in the upper part of the **Card**.
  - 1.3.2.2. Signature stripe, signed by the **Card** holder upon its receipt. The signature has to be affixed in a legible manner with ball pen.
  - 1.3.2.3. Georgian Card logo in the **Card** bottom.

**2. Organization** is obliged:

- 2.1. should any doubts arise as to the **Card** or **Card** holder, to request for the **Card** holder's ID. The first and last names of the holder on the **Card** have to coincide with the data included in the submitted document, and there has to be a match between the card holder's appearance and the photo in the document, otherwise the **Card** will not be accepted for payment.
- 2.2. In case of **Card Transaction** for more than GEL 200 (two hundred) to request for the **Card** holder's ID. The first and last names of the holder on the **Card** have to coincide with the data included in the submitted document, and there has to be a match between the card holder's appearance and the photo in the document. It is necessary to write on the reverse side of the receipt the **Card** holder's ID (passport) number, the first 4 digits of the **Card** and to affix the cashier's signature.

**3. Filling out the receipt and Authorization:**

- 3.1. When carrying out a **Card Transaction** via **Payment Terminal** it is necessary to pass the **Card** through the **Payment Terminal**, indicate the **Card Transaction's** amount by the keyboard and wait for the answer from the authorization center.
- 3.2. In case of positive answer the **Payment Terminal** prints out a receipt which is then signed by the **Card** holder. If the answer is negative, the display will show corresponding notification. At the same time no signature obligation applies to the settlement by the so-called smart cards.
- 3.3. After the receipt is printed out from the **Payment Terminal**, please make sure that the **Card** number printed on the receipt matches with the **Card** number embossed on the **Card** (the first 6 digits and last 4 digits). If the number embossed on the **Card** does not match with the number printed on the receipt the **Card** is not accepted for payment and it is necessary to contact the **Bank** and follow its further instructions.
- 3.4. After receiving the **Authorization** code the **Card Transaction** is considered as completed. Ask the **Card** holder to sign the receipt in the special signature panel. Further, keep the **Card** and watch how the **Card** holder affixes the signature. The signature affixed to the receipt has to be identical with the sample signature on the reverse side of the **Card**. After you make sure that the signatures are identical, hand over the goods to the customer, the **Card** and another copy of the receipt.

**4. Cancellation of Authorization:**

- 4.1. The last **Authorization** carried out via the **Payment Terminal** can be cancelled with the aid of the same terminal (CANCEL button then OK).

**5. The Card withdrawal:**

- 5.1. In some cases the **Authorization** may be followed by an order to withdraw the submitted **Card**. Tell about that the **Card** holder and keep the **Card**. Give an advice to the **Card** holder to approach the card-issuing bank. If such is the case, cut the **Card** with scissors lengthwise over the **Card** number up to the hologram, so that the hologram, **Card** number and magnetic stripe are not damaged and draw up an act about the **Card** withdrawal.
- 5.2. The withdrawn **Card** along with the act is handed over to the **Bank** within 3 (three) **Banking Days** since the **Card** withdrawal date.
- 5.3. Grounds for the **Card** withdrawal:
  - 5.3.1. Order about the **Card** withdrawal received from the **Authorization** center.
  - 5.3.2. If the **Card** is not submitted by its legal owner.

**6. The action done illegally by the Card implies:**

- 6.1. the use of the third party's **Card**;
- 6.2. the use of the fraudulently obtained receipts (slips);
- 6.3. falsification of the **Authorization** code;

- 6.4. incorrect use of the **Card** by its legal owner.
7. When carrying out the **Card Transaction** the **Organization** is bound to be guided by the following rules:
  - 7.1. check out the validity date;
  - 7.2. make sure that the **Card** complies with the given tax system standards and its validity is not limited by only one country indicated on the **Card** (valid only in -----);
  - 7.3. make sure that the **Card** is not damaged;
  - 7.4. make sure that the **Card** holder's signature is affixed to the **Card**. The **Card** without its holder's signature is not accepted for payment;
  - 7.5. make sure that the signature on the receipt (slip) is similar to the signature on the **Card**;
  - 7.6. ensure that during the **Card Transaction** the **Card** and the submitted document are in the place inaccessible for another cashier or the customer;
  - 7.7. ensure that the **Card** holder's name and personal number are put on the reverse side of the receipt;
  - 7.8. if there is a slightest doubt as to the illegal possession of the **Card** and/or the **Card** fraud to contact the **Bank** immediately and follow its further instructions.