

GENERAL PROVISIONS OF POS TERMINAL SERVICE

1. General part

1.1 This document represents General provisions of POS Terminal service.

1.2 Relations between bank and client are regulated according to the general provisions of POS Terminal service (Hereinafter "Contract") which includes:

- The request about entering of application in plastic cards service system, filled and signed by the client (Hereinafter " application "),
- And also, any application or annex in a case presence of those.

2. Interpretation of terms used in the contract

2.1 Interpretation and rules of the terms used in the contract are based on rules of the international tax Visa International, MasterCard Worldwide and China Union Pay system.

2.2 "**BANK**" – JSC "TBC Bank, the registration address: 7 Marjanishvili street, tell: 2 27 27 27, E-mail: info@tbcbank.ge.

2.3 "**OBJECT**"-Legal entity / natural person, the name and other identification data entered in the application.

2.4 "**CARD**" - Visa Electron/Visa, MasterCard/Maestro and ChinaUnionPay international payment cards.

2.5 "**PROCESSING CENTRE**" – JSC "United Finance Corporation", which provides service of POS terminal, the authorization of card operations, which are realized by means of cards and others service, provided by this contract.

2.6 "**AUTHORIZATION**" - the Procedure of approval or refuse on the transaction during which the card validity, existence of the amount on a card to the corresponding transaction is checked and also is carried out lock of this amount.

2.7 "**The AUTHORIZATION CODE**" - the six-digit number confirming the transaction (an authorization consent).

2.8 "**REJECT CODE ON THE TRANSACTION**" - codes of transactions (refusal on authorization) unrealized for various reasons.

2.9 "**TRANSACTION**" - set of operations of authorization and subsequent calculations.

2.10 "**POS TERMINAL**" - the electronic equipment by means of which carries out transmission of the amount of transaction and information existing on a card to processing center for authorization support.

2.11 "**MOBILE STATION**" - one of the forms of POS terminal, so-called, "Reader", which provides receiving of payment by means of the application loaded in the smartphone.

2.12 "**TRADE RECEIPT**" - or "**AUTOMATIC TRADE RECEIPT**" - the document confirming payment by card, printed by POS terminal in two identical copies and which is drawn up with full compliance with the rules, specified in appendix No. 1 of this contract.

2.13 "**BACHI**" - the amount of the cash received within 24 hours, which POS terminal sends to the processing center.

2.14 "**CHARGEBACK**" - appellate procedure of transaction by the issuer or owner of a card or the requirement of return of the amount of transaction or its part from an acquire in compliance of rules of the VISA International, MasterCard Worldwide and China Union Pay cards.

2.15 "**DOCUMENT OF CHARGEBACK**" the auxiliary document or the information, established by the rules of International, MasterCard Worldwide and China Union Pay (the trade receipt / invoice, record of any document, the letter of "Object", etc.).

3. Interpretation of terms used in the application

- 3.1 **"FILL COMMISSION CHARGES"** - at the beginning of every month the sum of the commission charges received from a turn of the last month will be counted. If the sum of commission charges appears less, than the sum specified in the column "FILL COMMISSION CHARGES", retail between the above-stated sum and the sum of commission charges will be detruncated without acceptance rule in the next month of calculation month from the current, savings or card account (s) of an object on what an object gives prior consent. In case of POS terminal if the sum of commission charges appears less than 10 GEL, in addition will be detruncated only 15 GEL.
- 3.2 **"FIXED COMMISSION CHARGES"** - the size of commission charges specified in the corresponding column of the application which the object will pay to the bank once in a month and will be added on commission charges of each transaction which is carried out by means of card provided by the application. The FIXED COMMISSION CHARGES will be detruncated without acceptance rule from the current, savings or card account (s) of an object on what the object gives prior consent.
- 3.3 **"EXCLUSIVE CONDITION"** is a condition for International, Mastercard Worldwide and China Union Pay of cards - to use only "TBC Bank" POS terminals during period of validity of the contract, otherwise the failure-party is obliged to pay a penalty fee to bank in a triple size (at least five thousand GEL) of the transactions sum, carried out on POS terminal within the last calendar month of that terminal where carried out violation of obligation provided by this point.
- 3.4 Ranging type - **"LAST MONTH"** - the volume of transactions of the last month will be reflected on volume of bank commission charges in last month. Retail between the sum of commission charges which are detruncated within a month and the sum of the commission charges which are detruncated according to the application will be transferred into the account of the organization specified in the contract not later than the tenth day of the next month.
- 3.5 The ranging type - **"CURRENT MONTH"** - the volume of transactions of the last month will be reflected on volume of bank commission charges in current month.

4. Rights and obligations of the parties

- 4.1 "Bank" is obliged to:
- 4.1.1 Provide authorization of cards in the continuous duty by means of processing center.
 - 4.1.2 Provide calculation of transactions carried out by means of International, Mastercard Worldwide and China Union Pay cards in POS terminal in case of full and corresponding implementation of the obligations by the Object in accordance of this contract and after representation of "BACHI" within three banking days in case of clients of "TBC Bank" or within five banking days in case of clients of any other banks.
 - 4.1.3 Transfer to the "Object" the necessary equipment for service of plastic cards in temporal (with a certain period), free use - POS terminal (the cost of one terminal makes 500 (five hundred) US dollars).
 - 4.1.4 Provide technical supervision of terminals free of charge.
 - 4.1.5 Supply with consumables (paper) free of charge.

- 4.1.6 Inform "Object" about essential operational changes in writing not later, than five days prior till implementation of change.
- 4.1.7 Observe complete confidentiality of information on a turn of the amounts of "Object".
- 4.1.8 Based on the written requirement of "Object" to train a staff of "Object" which will service directly owners of cards to rules of service of a card, carry out corresponding instructing, or to oblige processing center to instruct training.

4.2 . The bank is authorized:

- 4.2.1 To transfer the corresponding amount to "Object" during calculation with deduction of commission charges only on the accounts placed in "TBC Bank". In case of not existence of the account the bank is competent to suspend calculation with an object before opening of the account and to begin calculation only after opening the account in "TBC Bank".
- 4.2.2 Don't carry out payment in accordance of false or effect less trade receipts, or the receipts made with violation of the rules, stated in point 4.3.1. The bank declines all responsibility on transfers of the sum specified in the receipt completed with violation of the rules stated in point 4.3.1.
- 4.2.3 In case of fixation of violation the bank has the right to suspend or reserve the amount credited to an object with aim of compensations of the expected chargeback, penalty and/or damage.
- 4.2.4 If the sum of a reserve doesn't cover debt of an object in regard of bank, the bank is competent to write off the sum from any account of an object on what the client gives prior consent. In case of write off of the sums in different currencies, the equivalent will be established at the course established at the time of write off of the sum by bank. In case of not presence of the sufficient sum into the account, bank will inform an object on the obligation of a covering of debt in writing.
- 4.2.5 Don't make payment on transactions carried out through POS terminal on the basis of BACHI received within thirty calendar days after implementation of the transaction.
- 4.2.6 To detruncate mistakenly credited amount into the account of an object without acceptance rule.
- 4.2.7 Periodically check observance of the operational rules determined by this contract by subject.
- 4.2.8 Don't make payment with an object at detection of suspiciousness or illegality of transaction, carried out on POS terminal.
- 4.2.9 In case of the requirement of CHARGEBACK block the sum to the object before completion of process of CHARGEBACK in accordance of rules of regulation Visa International, Mastercard Worldwide and China Union Pay.
- 4.2.10 To request all necessary information and documentation from the object in case of CHARGEBACK, and also in case of any suspicious or illegal transaction.
- 4.2.11 If during one calendar month the sum of CHARGEBACK reaches 3% of the total amount of the transaction or considerably will grow the volume and/or the sum of transaction, the bank has the right temporarily suspend payment with the object and service of cards before establishment of the reason (on the basis of checking).
- 4.2.12 In case of cancellation and the return carrying out transaction to examine corresponding information and documents within three days after transfer of the sum on the bank account and to make decision on return / not return of the sum into the account of the owner of a card.

- 4.2.13 In case of violation of provisions, stipulated in points 4.3.2; 4.3.20; 4.3.23; 4.3.24; and 4.3.26, the bank is competent to impose and object undertakes to pay the penalty fee specified in above the specified points.
- 4.2.14 4.2.14. In case of omission by subject of the obligations specified in points 4.3.2; 4.3.20; 4.3.23; 4.3.24; and 4.3.26, the bank is competent to cut down the penalty fee set according to the same points from the bank account (ah) of an object within 5 working days on what an object gives prior consent.
- 4.2.15 4.2.15. To immediately pause competence and calculation with an object in case of detection of the considerable circumstances which cause damage of a name of system of calculation of Visa International, Mastercard Worldwide and China Union Pay.
- 4.2.16 Delivery, take away, assembling and dismantling of POS terminals to the object, and also their complete service will realize the bank by means of the staff of JSC "United Finance Corporation" who is competent to sign corresponding acts of accepting.

4.3 "Object" is obliged to"

- 4.3.1 Follow rules of service of Visa International, Mastercard Worldwide and China Union Pay cards through the POS terminal.

- To oblige the client to sign the receipt of the transaction which is carried out by a magnetic tape;

- In case the sum of the transaction which is carried out by a magnetic tape exceeds 100 GEL, to request in addition the identity card and write the number of ID on the printed receipt;

- The receipt signed by the client needs to be kept within 180 days;

- Payment is considered successfully carried out only in case if on the receipt it is written:

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- 4.3.2 Carry out service of Visa International, Mastercard Worldwide and China Union Pay card with strict observance of rules of this contract.
- 4.3.3 Provide a procedure of sending BACHI to "The processing center" in accordance of rules of this contract.
- 4.3.4 Open current account in JSC "TBC Bank" (if there is no account yet) where the amount received on the basis of this contract will be transferred.
- 4.3.5 In case of cancellation of the return carrying out transaction the object will provide transfer of the sum on the current account of bank within 5 calendar days.
- 4.3.6 Grant the right of working with POS terminal only to the employees, instructed by bank and to request from bank or the processing center guidance of new personnel.
- 4.3.7 Don't transfer POS terminal and don't grant the right of using to the third parties.
- 4.3.8 Transfer the terminal in other objects or branches without consent of bank is forbidden to the object.
- 4.3.9 Don't carry out credit transaction without carrying out corresponding debit transaction.
- 4.3.10 Don't accept a card for other purposes except sale of goods or service (for example, encashment of the existing debt or etc.).
- 4.3.11 Don't carry out addition of additional commission charges or a tax on the transaction sum.
- 4.3.12 Place POS terminals and advertising materials with the consent of Bank.

- 4.3.13 Keep trade receipts and BACHI receipts within 180 days and transfer them to the bank right after its requirement within five bank days.
- 4.3.14 Observe full confidentiality of information connected with card operations.
- 4.3.15 4 Don't request or use number of a card for other purposes, except payment and service of goods.
- 4.3.16 Object takes responsibility to inform bank in case of using of the third person-representative by the object who will have access to data of a card. Object also has to confirm that the third person-representative meets safety requirements of Visa International, MasterCard Worldwide and China Union Pay cards tax system.
- 4.3.17 It is required only in case of using the service of data processing of the third party card:
- an object provides compliance of the third party included in system with safety requirements of Visa International, MasterCard Worldwide and China Union Pay cards tax system, for example information connected with transaction, its keeping and observance.
 - The object confirms that completely informed with program of safety of Visa International, MasterCard Worldwide and China Union Pay cards tax system and undertakes to fulfill all requirements connected to the above.
- 4.3.18 In case of CHARGEBACK, till completion of CHARGEBACK process carry out full recovery of the amount of return demanded by Visa International, MasterCard Worldwide and China Union Pay cards.
- 4.3.19 In case of CHARGEBACK to transfer documents of CHARGEBACK to the bank, otherwise the object is obliged to pay the amount of CHARGEBACK in full.
- 4.3.20 To indemnify the loss caused to the bank as a result of negligence of service personnel of the object and/or as a result of violation of the rules of card service specified in the point 3.3.1. of this contract.
- 4.3.21 Object is obliged to inform immediately bank or processing center in case of detection of defects in operation of POS terminal.
- 4.3.22 Object undertakes to assist in suppression of legalization of the illegal income – an object represents the check confirming execution of operation which is received only between the owner of the card and the object during the commercial transaction.
- 4.3.23 Object has no right to add banking commission charges to the cost of goods and/or service. Otherwise the object undertakes to pay the penalty fee to the bank in rate of 100 GEL on each violation.
- 4.3.24 In case of closing of the object or termination of the contract the object undertakes to return transferred POS terminals to the bank within 20 (twenty) days after closing of the object or termination of the contract. In case of omission of this requirement the object shall pay to the bank 0.05% of overall cost of returnable POS terminals for each overdue day.
- 4.3.25 In case of opening of new object, the object shall report bank in written or electronic look (on E-mail: acquiring@tbcbank.com.ge) about opening of new object for timely assembling of POS terminal.
- 4.3.26 Don't refuse to the client on payment, except the case caused by technical delay. In case of violation of this point the bank is authorized to impose and object undertakes to pay a penalty fee in the amount of 100 (hundred) GEL. The bank is authorized to use such right only at its discretion, and it isn't its obligation.

- 4.3.27 Using of terminal by the object shall be carried out in compliance of the specified profile. In case of addition or change of a profile the object is obliged to inform bank on the above.
- 4.3.28 Don't damage and care POS terminals, transferred in free of charge and temporary use.
- 4.3.29 Don't carry out any technical and program changes of the terminal.
- 4.3.30 In case of disrepair of the terminal immediately inform the processing center on number: 032227 27 27.
- 4.3.31 In case of termination of the contract return the terminal to the bank in original condition taking into account normal wear.
- 4.3.32 In case of physical damage of terminal compensate the cost of major repair to the bank.
- 4.3.33 In case of failure of return the terminal to compensate the current cost of the terminal to the bank.

Object has the right:

- 4.4 To get additional consultations about operation of cards.
- 4.5 To request repeated training of the staff in writing.

5. False or invalid trade receipts

- 5.1 Parties agree that automatic trade receipt is considered false and the bank won't carry out transferring of amount to the object if:
 - 5.1.1 The trade receipt or its copy provided by the object to processing center doesn't correspond to data of authorization.
 - 5.1.2 The trade receipt isn't completed in compliance of the rules stipulated in point 4.3.1.
 - 5.1.3 The trade receipts are corrected or identity of their copy is broken.

6. Responsibility of the parties

- 6.1 In case of failure of contract obligations or their fulfillment in not corresponding way parties bear responsibility in compliance of the current legislation of Georgia.
- 6.2 The party -violator will indemnify the loss caused by violation of terms of the contract in full.
- 6.3 The bank doesn't bear responsibility for disagreement between the object and the bank which isn't connected directly with conditions of this contract.
- 6.4 The parties are exempted from liability for failure to follow the obligations in case of existence of force majeure that has to be confirmed with the corresponding reference issued by competent authority. Obligations have to be fulfilled after ending of force- major circumstances.

7. Final conclusions

- 7.1 Any dispute between the parties will be resolved by negotiations. In case of not reaching an agreement, the dispute will be considered in compliance of the Georgian legislation.
- 7.2 In case of nonfeasance of terms of the contract or their execution in not corresponding way parties bear responsibility in compliance of the current legislation of Georgia.
- 7.3 Parties have no right to alienate the rights and obligations under the present contract.

- 7.4 Parties are exempted from liability of nonfeasance of the obligations in case of existence of the force majeure which was becoming effective according to the international law and also in the presence of the corresponding prove, issued by competent authority.
- 7.5 If nothing is determined under contract provisions, parties will be guided by the current legislation of Georgia.
- 7.6 Parties recognize official the following documents: the data recorded at processing center; authorizations data; automatic trade receipts; data of BACHI; extracts from bank; documents of a CHARGEBACK.
- 7.7 Parties agree that delivery, take away, assembling and dismantling of POS terminals on the object will realize the bank by means of staff of JSC "Jointed Finance Corporation" who is competent to sign corresponding acts of accepting.
- 7.8 The bank has the right to terminate the contract at any time by notification of the object in five working days prior to termination if the volume of transaction, realized via the terminal in one month will be less than one thousands GEL, or the object didn't pay monthly commission charges specified in the request.
- 7.9 Parties have to make final payment within ten banking days after termination of the contract.
- 7.10 The contract is considered finally terminated after settlement of all financial, organizational and technical issues between the parties.
- 7.11 Parties undertake to inform each other about any essential changes (requisites, legal status, activity change, change of activity, the bankrupt) in writing within ten days after implementation of changes.
- 7.12 Any correction or addition in this contract will be carried out by way of publication on the web site of "TBC Bank": www.tbcbank.ge. If within 1 month the object doesn't state the claim in writing or (acquiring@tbcbank.com.ge) in electronic form, changes will come into force. In case of change of service tariffs signature of both parties on the change/agreement is necessary.
- 7.13 After signing the application all previous and similar agreements between the parties lose force.
- 7.14 Cancellation of one of paragraph of this contract won't entail cancellation of the full contract.
- 7.15 The contract comes into force from the date of signing the application and remains in force within three calendar years. Term will be automatically prolonged if the parties don't express a desire of early termination of the contract. The parties have right to terminate the contract ahead of schedule by way of sending of notice to other party in written or electronic form (acquiring@tbcbank.com.ge) three months earlier prior to the termination.