

Fare Payment System Participation Rules

Definition of Terms

The System Operator/Bank/Settlement Agent - TBC Bank JSC;

System Rules – terms and conditions set out herein;

Account – A System Participant's correspondent account with the Bank;

Payment Transaction – a fare payment transaction, including settlement, carried out through the Payment System. Payment of fares using Payment Instruments will be implemented according to the Plan agreed in advance with the Bank.

Payment System / System – the Fare Payment, Control and Management System that enables payment transaction data exchange and payment completion;

Legislation – The effective laws of Georgia and the subordinate normative acts and international agreements and treaties applicable under the normative acts of Georgia;

Third Party – any physical and/or legal person and/or organizational unit (entity) without legal personality under the law of Georgia or other countries, other than the System Operator and the Parties to the System;

Minimum Balance – funds in the System Participant's bank account that can be used within the scope of and pursuant to this document and the agreement(s) made by and between the System Participant and the System Operator;

Payment Card – a contactless VISA or MASTERCARD debit or credit card issued by the System Participant and accepted in the International Payment Networks;

Sub-Contractor(s) – third party(ies) contracted by the System Operator to ensure the operation of the Payment System, based on relevant agreements made therewith;

Business Day – any day except any Saturday, Sunday and any official holiday under the Legislation;

International Payment Network - VISA and MASTERCARD payment systems;

Public Transport – passenger transportation vehicles, such as buses/minibuses, operating on the territory of the municipality where the Payment System is operating;

Stop List – the System Operator's list of payment cards whose usage is restricted for executing payments hereunder;

Agreement – Any agreement (a similar arrangement) and/or annex, as well as any amendment/addition thereto, made by and between the System Operator and the System Participant within their relationship/cooperation envisaged hereunder;

System Participant – an entity integrated into the Payment System hereunder;

Travel Card – a card designated for fare payments in a given region.

Payment Instrument – a bank card and a relevant e-wallet;

E-wallet - APPLE PAY and GOOGLE PAY, to which customers may add their bank card;

Settlement Agent – a legal person who provides the System Participant with a transaction account to facilitate settlement;

System Integration Application/Request – an application form to be completed by a party interested in joining the Payment System;

Interested Parties/Applicants – entities that are interested in becoming System Participants and have submitted the System Integration Application/Request to the System Operator;

Confidential Information – any nonpublic information regardless of its form (including tangible and electronic) that contains any type of data and resource(s) (including technical and financial data, commercial terms, analytical materials, documents, agreements, internal guidelines, etc.) related to any Party and/or any person having business relations therewith, the disclosure of which may cause harm to the Party;

Personal Information – any information/data related to an identified or identifiable natural person. An identifiable person refers to a person who can be identified, directly or indirectly, in particular by reference to an identification number or to one or more factors specific to his physical, physiological, mental, economic, cultural or social identity;

National Currency – the national currency of Georgia;

BIN - Bank Identification Number – a special number assigned by the international payment system to an issuing bank to facilitate the identification of a payment card issuer;

BINR - Bank Identification Number Range – a package of numbers containing the issuing bank's BIN, which the issuing bank assigns to particular groups of payment cards it has issued to facilitate the identification of the groups;

PAN - Primary Account Number – a unique number containing BIN and BINR and assigned to each bank card integrated in the international payment network to facilitate identification of a payment card.

Objectives of the Document

The document sets out the rules, and terms and conditions to be followed and satisfied by the System Participants, whose Payment Instruments will be accepted on Public Transport for the payment of standard fares via the Payment System, operated/serviced by the System Operator.

Customers will be able to use/ride Public Transport in return for paying the standard fare with a payment card and/or an e-wallet issued by the System Participant (an extra fee of 0.5 GEL is added to the fare if a customer uses a card issued by an international bank).

If a municipality provides for free (zero-rated) transfers/consecutive rides on Public Transport within a limited period of time from the first validation, the Payment Instrument holder too will be entitled to zero-rate transfers when paying the fare with the Payment Instrument issued by the System Participant. Furthermore, to avoid any doubts, discounts allowed on social cards and/or envisaged by law and/or special terms on fares set for various categories of passengers do not apply to the payments of fares using the Payment Instruments, regardless of the issuer/authority of the above-mentioned discounts/special terms;

The payment of fares under the Fare Payment System Service is only possible by means of the Payment Instruments issued by the Payment System Participant(s) and international cards issued by other non-Georgian banks. The use of Payment Instruments issued by non-Georgian banks on Public Transport is subject to the rules of the International Payment Networks and envisage an extra fee of 0.5 GEL (charged above the fare).

Description of the Payment System

The Payment System is a set of technological applications and rules to facilitate payment operations in national currency using payment card instruments. The System Operator is TBC Bank JSC, which, at the same time, is a System Participant and may use subcontractor services in the management of the System.

The Settlement Agent for the Payment System is TBC Bank JSC. Therefore, the System Participants are required to have an account with the Settlement Agent in the corresponding currency.

The Payment System allows acceptance of fare payments on the Public Transport of the Municipalities to which the System Operator provides the service.

The list below includes the names of municipalities participating in the Payment System Service and the respective validity periods:

- Telavi Municipality, through November 2027;

- Gori Municipality, through January 2029;
- Poti Municipality, through December 2027;
- Borjomi Municipality, through September 2027;
- Bakuriani Borough, through September 2027;
- Mtskheta, through January 2029
- Akhaltsikhe, through April 2029
- Sagarejo, through December 2029
- Kvareli, through April 2029
- Lagodekhi, through November 2029
- Signaghi, through May 2029
- Dmanisi, through February 2029
- Dedoplistskaro, through May 2029
- Baghdadi, through January 2029

Payment System Integration, Inclusion Criteria and Submission of Applications

A Payment System Participant can be:

- A commercial bank licensed by the National Bank of Georgia;
- A Payment service provider licensed by the National Bank of Georgia;

The parties interested in the Fare Payment System Integration can apply to the System Operator with a System Integration Request, at the email transport@tbcbank.com.ge, provided they accept all of the terms and conditions set by the Payment System Operator and meet all inclusion criteria.

The Interested Parties are expected to send a duly completed System Integration Application Form (see Annex 1 below) to the System Operator's above email from their official email address.

The System Operator sends the Interested Party the Technical Protocol (see Annex 2 below) no later than 5 (five) business days from receiving the Application Form, at the same email from which the Application Form was received.

The Interested Party shall read the protocol closely. If the Party finds that its system can be updated/adapted (if necessary) to allow System integration, it will apply to the System Operator via the same email for signing an agreement.

If the Interested Party's infrastructure does not comply with the System Participant Criteria at the time of submitting the agreement request, the System Operator is entitled to refuse the System Integration Agreement.

If the Interested Party's infrastructure complies with the System Participant Criteria, which the Interested Party confirms, the System Operator will arrange the execution of the Agreement by the Applicant's and the System Operator's respective authorized representatives no later than 1 (one) calendar month from the Applicant's confirmation (unless the Interested Party applies for a longer period).

The Application Procedure in Case of Other Payment Instruments

If a System Participant intends to accept payments with other payment instruments, it must apply to the System Operator's following email address: **transport@tcbank.ge**; **tms@tcbank.ge**

If a System Participant intends to accept payments with other payment instruments, within 5 (five) calendar days of receiving System Participant's relevant notification, the System Operator will provide the System Participant with technical requirements specifying the updates the System Participant is expected to make to its system so that it can receive tokens with encrypted payment details generated by the System Operator for payments made with other payment instruments.

If a System Participant updates its system as instructed by the System Operator for the purpose of accepting payments with other payment instruments, such payments will be processed by the System in a standard way.

If a System Participant fails to update its system as instructed by the System Operator for the purpose of accepting payments with other payment instruments, such payments will be processed according to the rules of the International Payment Networks, and the payer will be charged by an extra fee of 0.5 GEL.

If a System Participant fails to update its system as instructed by the System Operator but wishes to avoid the charging of its customers with an extra fee on payments made with other payment instruments, it is entitled to reimburse its customers the extra fee charged on payments made with other payment instruments, for which purpose the Payment Participant shall apply to the System Operator at the following email address: **transport@tcbank.com.ge**; **tms@tcbank.ge**. Based on the System Participant's request, the System Operator will executed a relevant additional agreement with the System Participant.

If a System Participant intends to restrict payments with other payment instruments, it is entitled to apply to the System Operator as prescribed herein and request restriction of payments made with other payment instruments.

If a System Participant updates its system as instructed by the System Operator, the System Operator and the System Participant will sign an additional agreement on accepting payments with other payment instruments.

Payments with cards issued by financial institutions other than commercial banks and/or payment providers licensed by the National Bank of Georgia (NBG), which are not integrated in the System

Payments made with payment instruments issued by international financial institutions are processed according to the rules of the International Payment Networks and/or any other international payment system (if the System Operator is a participant of the mentioned other payment system and is actually able to support the processing of such transactions) provided:

An international financial institution is the issuer of the payment instrument in question;

A payment transaction has been initiated using the payment instrument issued by an international financial institution.

If a payment is processed according to the rules of International Payment Networks, the exchange fee will apply, at the rate established according to the rules of the International Payment Networks.

If a payment is processed according to the rules of International Payment Networks, the payer is charged an extra fee of 0.50 (zero point fifty hundredth) GEL.

Commercial banks licensed by the NBG and/or payment providers licensed by the NBG and/or international financial institutions are entitled to apply to the System Operator and request restriction the use of payments instruments issued by them in the System.

Important Terms

Stop List

The System Participant shall manage the Stop List in the program database on a permanent basis. The management of the Stop List refers to saving/storing/updating a card-based instrument's PAN details in the Stop List in the program database. Once a card-based instrument's PAN details are entered to the Stop List, the card-based instrument in question will be restricted in the Payment System until its PAN details are removed from the Stop List. When entering card PAN

into the application database, the System Participant shall not exceed the data volume limit envisaged in the System rules. The System Participant may add and/or remove from the Stop List card-based instruments' PAN details without exceeding the data volume limit envisaged in the System rules. The System Participant may post to the program database an unlimited amount of card PAN entries included in the Stop List. If the System Participant posts to the database more than 2 000 000 (two million) card PAN entries included in the Stop List, it shall compensate the System Operator for the cost of every card PAN above 2 000 000 by 0,01 (zero point one hundredth) GEL to be paid according to the terms set for the payment of the System integration charge.

The System Participant may add or remove card PAN entries to/from the Stop List without limitation. If the number of card PAN entries added or removed from the Stop List by the System Participant exceeds 200 000 (two hundred thousand), the System Participant shall compensate the System Operator for the cost of each card PAN entry above 2 000 000 by 0,01 (zero point zero one) GEL to be paid according to the terms set for the payment of the System integration fee. If the System Participant uses the System in different municipalities, records for all applicable municipalities will be added up for the purposes of the Stop List limits.

Minimum Balance

The System Operator is entitled to require the System Participant to keep the Minimum Balance in its account on a daily basis, throughout the entire period of its integration into the System, as well as for 30 (thirty) calendar days after its integration is cancelled. The amount of the Minimum Balance depends on the total amount of fares paid during one calendar month (whether full or incomplete):

Amount of collected/estimated fares (GEL) in a calendar month	Required Minimum Balance (GEL)
<15000	1500
>=15000<60000	6000
>=60000<150000	15000
>=150000<150000	15000
>165000	16500

If the System Participant uses the System in different municipalities, fares paid in all municipalities during one calendar month will be added up to establish the Minimum Balance. If the Bank debits the System Participant's Minimum Balance, the System Operator is entitled to require the System Participant to refill the Minimum Balance to the required level within 1 (one) business day.

System integration payment and service fee payment terms

The integration payment includes the following:

- One-time payment for System integration established by the Sub-Contractor;
- The fixed monthly service fee per municipalities and the monthly service fee for using the Payment System service based on per-transaction fees as shown in the table below.

The fixed monthly service fee per Municipality:

City	Fixed monthly fee (GEL)
Gori	1,000
Borjomi	500
Poti	800
Telavi	800
Mtskheta	500
Bakuriani	500
Akhalsikhe	800
Baghdati	500
Dmanisi	500
Sighnaghi	500
Kvareli	500
Lagodekhi	500
Dedoplistskaro	500
Sagarejo	500

Per-Transaction Service Fee:

Monthly transaction volumes	Per-Transaction fee
0-2000	1.00
2000- 10,000	0.90
10,001- 20,000	0.85
20,001- 50,000	0.80
50,001- 100,000	0.75
>100,000	0.70

Flexible Pricing Plans

- If a System Participant/ an Applicant wishes to apply for System Integration in, **Poti, Borjomi, Bakuriani, Telavi, Gori and Mtskheta** simultaneously, where the System Operator is the payment system manager, the System Participant/ the Applicant can take advantage of the System Operator's commercial offer and pay a monthly service fee of 75 000 GEL. In this case, the Applicant will not have to pay additionally the per-transaction and fixed service fees.
- The System Participant can also apply for the volume-based Tiered Pricing Plan and select any of the following tiers:
 - 0-15 000 transactions per month; monthly service fee: 15 000 GEL.
 - 15,001-50,000 transactions per month; monthly service fee: 20 000 GEL.
 - 50 001-150 000 transactions per month; monthly service fee: 30 000 GEL
 - 150 001 and more transactions per month; monthly service fee: 216 000 GEL.

If the number of fare payments exceeds the tier limit, the System Participant will be automatically assigned to the next pricing tier and charged the corresponding service fee.

Note: The System Participant is entitled to enroll in the Tiered Pricing Plan and choose a tier at any time during the effective term of the Agreement, by serving the System Operator a notice. The selected tier will come into effect on the first calendar day of the month following the System Operator's receipt of the System Participant's notice.

Initial System Integration Payment

The initial system integration fee, irrespective of the municipalities selected (marked in the Application Form) is a one-time fee of 2 280 USD VAT exclusive.

Further integration with individual municipalities costs 960 USD per municipality VAT exclusive.

There is an additional fee of 1 440 USD VAT exclusive for System Participants who apply for other payment instrument integration but are unable to process the tokens.

Any changes to the existing integration will cost 960 USD VAT exclusive.

Note: The initial System Integration fee is established by the Bank's Sub-Contractor(s) and is charged in GEL at the exchange rate of the National Bank of Georgia as of the date of payment.

Terms of Payment

Settlement between the System Operator and the System Participant

The System Operator will ensure that the per-transaction rate-based monthly service fee and the per-municipality fixed monthly fee is debited to the System Participant's account without the System Participant's further consent.

Settlement between the System Operator, the System Participant and the Municipalities

The System Operator ensures that the amount of fare payments made with card-based instruments each calendar day is drawn from the System Participants' account on the following business day by direct debit, without the System Participants further consent and paid to the respective Municipalities.

The System participant is obliged to hold at least one account with the Bank where to deposit the amount of money agreed in advance between the System Participant and the System Operator, which must be no less than the collected/estimated amount of fares paid by the System Participant's customers during one calendar day;

If the balance in the account is not sufficient or it is not possible to debit the account, the funds will be drawn from the Minimum Balance. If there are no sufficient funds in the account to carry out settlement for any given period, or it is impossible to draw the funds from the account, the System Operator is entitled to impose a penalty envisaged hereunder on the System Participant. Furthermore, if the System Participant fails to pay the System Operator the penalty hereunder within 30 days' additional notice, the System Operator may unilaterally suspend the service for the System Participant/terminate the agreement with the System Participant. For settlement purposes, payment transaction details as of one calendar day are reported to the System Participant on the following business day via email;

Obligations of the Parties

If the balance in the Minimum Balance Account is not sufficient to cover the total amount of fares on any given calendar day and/or the Payment System Service Fee and/or the total amount of the

Minimum Balance, or if it is impossible to debit the account in question with the required amount, the System Operator is entitled to demand from the System Participant the payment of a one-time penalty equal to 1 (one) % of the amount debitable from the Minimum Balance and a daily penalty of 0.5 (zero point five) % of the outstanding amount/ the amount debitable from the Minimum Balance for each day (whether full or incomplete) past due until the liability is settled duly and completely.

The System Operator is entitled to require the System Participant to pay the damages due to the System Participant's breach of any of its liabilities, including, unequivocally, any third party liabilities. Furthermore, in case of the System Participant's breach of any of its liabilities whatsoever, the System Operator is entitled to require the System Participant to pay a one-time penalty equal to 1 (one) % of the Minimum Balance and a daily penalty of 0.5 (zero point five) % of the Minimum Balance for each day (whether full or incomplete) past due until the liability is settled duly and completely. The System Operator shall be released from the obligation to compensate for the damages/ pay the penalty if a Payment System malfunction/disruption occurs for a reason not related to the Operator and/or its Sub-Contractor (when applicable). The payment of the penalty does not relieve the Parties of fulfilling their respective liabilities in a due manner and/or curing the breach and/or compensating for the damage/harm.

Representation and Warranties

The System Participant:

- Is a solvent entity without any ongoing insolvency (bankruptcy, rehabilitation) proceedings, winding up and/or any other circumstances that may interfere with due performance/fulfilment of terms and conditions;
- Is engaged in a business that complies with the requirements of all normative acts regulating environmental, healthcare, safety and labour issues and these requirements will be duly observed at each stage of contractual relations.
- Respects human rights and freedoms as absolute values and carries out its business activities by respecting these values. It does not violate the basic principles of the labour law during operation, does not encourage forced labour in any way and firmly denounces any kind of discrimination.
- Conducts its activities and business relations in good faith and lawfully, by observing high ethical standards; has zero tolerance for corruption, bribery, tax fraud, tax evasion and other offences and keeps the issues under permanent control;

- Shall forthwith delete and discontinue the processing any personal data if it [the System Participant] accesses such data while participating in System service delivery;
- Will ensure due observance of the provisions/regulations of the international payment system and requirements set out in the rules of recordkeeping, as well as adherence to the payment system procedures and fulfilment of the obligations set;
- The System Participant represents and warrants that anytime before the execution of this Agreement or during the validity period hereof, the System Participant, its shareholders, management or executive / supervisory body members, as well as the Client's beneficial owner(s) and/or the related/affiliated parties, including, for the purposes of this paragraph, any person that, according to the System Operator's assessment and inter alia, with regard to the purpose of the sanction(s), may have an influence on the person in question, or his/her/its decision(s), and/or directly or indirectly hold and/or control that person by way of close business, personal or other connections:
 - are/will not be included in the list of the sanctioned persons (hereinafter the List of the Sanctioned Persons) by the United Nations (UN) and/or the European Union and/or the United Kingdom (United Kingdom of Great Britain and Northern Ireland) and/or the USA and/or Georgia and/or any other state and/or international organization (hereinafter jointly and individually referred to as the Authorized Person(s)), and/or is not/will not be subjected to a sanction (for the purposes of this paragraph, a sanction inter alia includes restriction, policy, prohibition, or other requirements/directives set by the Authorized Persons).
 - are not/will not be residents of a state subjected to the Authorized Person(s) comprehensive trade sanctions/restrictions.
 - has not entered/ will not enter into any deal (including, will not support the signing of a deal), whether directly or indirectly, including through third party mediation, with any person and/or association that is/will be included in the Sanction List/is subjected to a sanction and/or is a resident of a state and/or operates on the territory subjected to comprehensive trade sanctions/restrictions.
 - has not entered/ will not enter into any deal (including, has not/will not support the signing of a deal), whether directly or indirectly, including through third party mediation, with regard to the party/property/asset/goods/services subjected to comprehensive and/or targeted and/or sectoral sanctions/restrictions.

Termination of Participation in the System

The System Participant may terminate their participation in the System unilaterally, as well as terminate any agreement made with the System Operator within the scope of the Payment System Service based on at least 30 calendar days' notice.

The System Operator may unilaterally terminate/restrict the System Participant's access to the Payment System:

- If the System Participant breaches the mentioned rules and/or any provision of the Agreement and does not cure the breach within 2 (two) weeks of receiving a relevant notice / letter of warning from the System Operator;
- If the System Operator is deprived of operating rights for any reason whatsoever and/or terminates payment operations in the given municipality on its own initiative/in agreement with the Municipality, of which it shall send the System Participant a notification at least 5 (five) days in advance (unless the relationship/agreement described herein is terminated instantly);
- Forthwith upon the termination/revocation of the Payment System Service Agreement between the Municipality and the System Operator in any form and on any grounds whatsoever;
- Forthwith upon the commencement of liquidation proceedings against the System Participant;
- Forthwith upon the System Participant's breach of the warranties envisaged by the mentioned rules.

Communication between the Parties

The Parties shall officially communicate in writing. A notification can be delivered to either Party by hand (in person), by courier (including an international courier) or by post (including insured mail). To ensure speedy delivery and in view of the provisions provided below, a notification may be sent to either Party by email or other electronic means provided a hard copy of the notification can also be delivered to the receiving Party if the latter so requests, within a reasonable time following the receiving Party's request.

The System Operator will notify the System Participant of the pending scheduled system update (whether of the entire system or some of its components) at least 3 (three) calendar days before the update.

Payment system-related information exchange will be carried out via the System Operator's email address transport@tbcbank.com.ge

A notification shall be deemed delivered on the day it is received by the addressee, provided the addressee confirms the receipt (including by means of an electronic document, a receipt, or by any other relevant/applicable means, etc.). If the addressee does not confirm the receipt of the

notification, it will be deemed duly sent and delivered on the day following the day on which it was sent. A notification shall also be deemed received/delivered if it is returned to the sender due to incorrect address or if the addressee avoids or refuses to accept the notification and/or if the email address provided to the other Party is invalid.

A notification shall also be deemed received/delivered if send and delivered in any form and by any means envisaged by law.

Confidentiality

Unless otherwise envisaged in the Agreement, the Parties shall keep confidential any information they receive from the other Party during the term of the Agreement as well as after the completion of the contractual relations. Furthermore, The Parties undertake to process any information /data obtained within the scope of the Agreement exclusively for the purposes envisaged in the Payment System Rules. If the operation of the System requires involvement of sub-contractors, the System Operator is authorized to transfer to the sub-contractors any information necessary for the System Participant's integration into the system and their further collaboration.

Complaints and Disputes

The Parties may make a complaint against each other in writing and/or orally. The respondent must fully or partially resolve the complaint within 15 (fifteen) calendar days or provide the other Party with all relevant justifications in writing and/or orally within the same period of time. This document and the related agreements have been composed and shall be construed based on the laws of Georgia. In case of a dispute, the Parties shall apply to the common courts of Georgia, which will consider the case in compliance with the laws of Georgia.

Description of works to be implemented by the System Participant for System Integration:

After the System Operator and the Applicant (hereinafter the System Participant) sign the Agreement, the System Operator will set up the Virtual Private Network (VNP) no later than 10 (ten) banking days from the Agreement Execution Date to ensure that a secure information exchange protocol is in place between the System Participant and the System Operator.

VPN will provide the System Participant with an encrypted connection with the program. The System Participant is obliged to ensure protection of the program from third party access.

The System Operator will provide the System Operator with software testing certificates, AgenID, ListID and Salt.

The System Participant is obliged to generate software testing certificates, AgenID, ListID and Salt in its system.

The System Participant is obliged to provide the System Operator with the PANs of its test contactless card instruments (test contactless payment cards) and their BIN and BINR data. The data will be entered into the System no later than 5 (five) calendar days from their receipt.

After the System Participant provides the System Operator with the PANs of its test card-based instruments, the System will generate test payment transactions.

If an error occurs during test payments, the System Operator and the System Participant will ensure that the error is fixed and the System successfully generates test payments.

After the System successfully generates test payments, the System Participant obtains immediate access to the real (production) environment, after which the System Participant is obliged to provide the System Operator with its card-based instruments' BIN and BINR data.

After the System Participant provides the System Operator with its card-based instruments' BIN and BINR data, the System Operator will add several card instruments' BIN and BINR data to the system. The System Participant and the System Operator will conduct payment transactions in the system using the added card-based instruments. If the payment transactions are completed successfully, the System Operator will ensure that all of the provided card instruments' BIN and BINR data are added to the System and the system Participant starts using it.

As soon as the System Participant starts using the System, it shall deposit the required amount of money into its settlement account.

If the System Participant intends to add more card instrument data to the System after it starts using the System, the System Participant shall provide the System Operator with the PANs of its additional contactless card instruments and their BIN and BINR data, which will be added to the System no later than 5 (five) calendar days from receipt.

System Integration Application Form

Application Form for System Integration		
1	Applicant's full name	
2	Applicant's legal status and form of registration with NBG	
	Applicant's mailing address	

3		
4	Applicant's ID number	
5	Name/Surname and personal ID of the Applicant's authorized representative	
6	Mobile phone number and email address of the Applicant's contact person	
7	Name of the municipality whose fare payment project the Applicant is willing to integrate via the System	