TBC BANK

Special Terms of the Mortgage Agreement

Annex #1

1. **Hierarchy of the Main Terms and Special Terms of the Mortgage Agreement**

1.1. The legal relationship between the Parties arising out of the Mortgage Agreement is governed by: (a) the Mortgage Agreement – the Main Terms, (b) Special Terms of the Mortgage Agreement and (c) Any additional agreement executed by and between the Parties in relation to the Mortgage Agreement (including Amendments/Additions thereto). These documents together constitute the entire agreement, each being an integral part of the others. In the event of discrepancy between the terms of the aforementioned documents, the Main Terms of the Mortgage Agreement and the additional agreement related thereto shall be given precedence.

2. **Rights and Obligations of the Parties**

2.1. The Owner shall:

2.1.1. Give the Mortgagee prior written notice regarding the sale, mortgage, lease, rent or other kinds of encumbrances on the Mortgaged Item or any part thereof, and/or the execution of any deal related to the Mortgaged Item and/or any part thereof;

2.1.2. Notify the Mortgagee in writing regarding the change of ownership as soon as the registration of a deal related to the alienation / disposal of the Mortgaged Item or any part thereof at the National Agency of Public Registry has been completed;

2.1.3. Take all necessary measures to safeguard the Mortgaged Item, maintain it in good condition and protect it against third-party interference and claims;

2.1.4. Bear the maintenance costs of the Mortgaged Item until the mortgage registration is cancelled;

2.1.5. Notify the Mortgagee of all issues and events that may affect the Mortgaged Item (including the emergence of a tax lien, mortgage/pledge rights, seizure or any other claims and/or rights related to the Mortgage Item);

2.1.6. No later than 2 (two) days from the Mortgagee's demand:

2.1.6.1. Submit/present to the Mortgagee any and all information and/or documentation pertaining to the Mortgaged Item;

2.1.6.2. Ensure that any document (statement, agreement, etc.) required for the Mortgagee to fully exercise its right(s) under the Mortgage Agreement are duly signed and forthwith delivered to the Mortgagee;

2.1.6.3. Insure the Mortgaged Item in his/her name and at his/her own expense, covering the risks required by the Mortgagee, in compliance with the terms and conditions of the Master Agreement and annexes thereto. The Mortgagee is entitled to satisfy its claims from the insurance proceeds. If the insurance policy does not cover the entire validity period of the Mortgage Agreement, it should be renewed periodically at least no later than 14 (fourteen) days prior to the policy expiration date. The policy must indicate the Mortgagee as the sole recipient of the insurance proceeds and stipulate that the Mortgagee shall not be required to make any payments including the insurance premium;

2.1.6.4. Forthwith notify the Bank regarding any changes in his/her identification data, contact information, status or activity.

2.1.7. Bear all expenses (payments, fees, taxes, etc.) related to the execution and registration of the Mortgage Agreement, the amendment thereof and registration of any amendments and/or additions, and the cancellation of the Mortgage Agreement and the registration thereof;

2.1.7.1. Apply to the Bank for the termination of the Mortgage Agreement upon full and proper fulfillment of the liabilities secured by the Mortgage;

2.1.7.2. Submit the Bank's letter of confirmation regarding the termination of the Mortgage Agreement for registration to a relevant service agency of the National Agency of Public Registry.

2.1.8. not allow sham and/or fraudulent transactions with regard to the Mortgaged Item;

2.1.9. If any type of public law encumbrance (tax lien/pledge/mortgage and/or seizure) is registered on the Mortgaged Item, ensure that the termination of the encumbrance is registered no later than 30 (thirty) calendar days after the imposition thereof.

2.1.10. If the title to the Mortgaged Item is lost or the Item is damaged and/or destroyed, mortgage another immovable property of the same value and likewise acceptable to the Bank no later than 5 (five) calendar days thereafter in order to secure the liabilities set forth in the Main Terms of the Mortgage Agreement. If the obligation set out in this Sub-Paragraph is not satisfied in a timely manner and if the Mortgagee so requires, amortize the secured liability/ies by the amount of the damages / the value of the Mortgaged Item;

2.1.11. Do not encumber the right of superficies on the Mortgaged Item without the Mortgagee's prior written consent;

2.1.12. If the Mortgaged Item is alienated, assign all of the Owner's liabilities to the acquirer/transferee under the corresponding agreement (whether a deed of purchase, gift, exchange, etc.), meaning that if the Owner duly satisfies his/her liabilities under the Mortgage Agreement, the acquirer of the Mortgaged Item shall become the Owner's assignee/legal successor in all relationships arising out of the Mortgage Agreement (including a party to the arbitration agreement);

2.1.13. If the Mortgaged Item is transferred to a third party's possession/user (through a lease, rent, etc. agreement), require the Mortgaged Item user to pay the lease/rent amount into the Owner's TBC Bank account or another account required by the Mortgagee;

2.1.14. If the title to Mortgaged Item is alienated (through direct transfer and acceptance or through realization (sale and purchase)), the Owner shall vacate the Mortgaged Item by moving out together with his/her family members and other persons and/or items present on the premises of the Mortgaged Item not later than within 2 (two) calendar days (the term can be extended to 30 calendar days in agreement with the Mortgagee). To avoid any further misunderstanding, the Owner's obligation to vacate the Mortgaged Item is confirmed by signing the Mortgage Agreement (unless otherwise agreed between the Parties in writing).

2.2. If the Mortgaged Item is the right of superficies, along with the other terms and conditions set out in the Mortgage Agreement, the Owner shall:

2.2.1. Perform all of his/her obligations under the Superficies Agreement in full, properly and in a timely manner;

2.2.2. Forthwith transfer the full amount of any funds received from the owner of the plot of land (to which the right of superficies applies) (including the compensation under Article 239 of the Civil Code of Georgia) to the Mortgagee;

2.2.3. Upon the expiration of the right of superficies, accept the offer from the owner of the plot of land (to which the right of superficies applies) regarding the extension thereof for a period for which the structure erected on the plot of land is presumed to exist and forthwith notify the Mortgagee thereof in writing;

2.2.4. Without the Mortgagee's prior written consent:

2.2.4.1. Not permit any amendments to the Superficies Agreement and/or any delay in the payment of the compensation for the right of superficies;

2.2.4.2. Not sign any agreements and/or any other documents and/or not enter into any deal related to the land parcel (to which the right of superficies applies), the right of superficies and/or the claim for compensation against the owner of the plot of land.

2.3. <u>The Owner is entitled to:</u>

2.3.1. use the Mortgaged Item for its intended purpose and prevent its deterioration or depreciation beyond its normal wear and tear;

2.3.2. upon the Mortgagee's prior written consent, convert, divide or merge the Mortgaged Item with other assets so that its actual value does not decrease (provided the asset with which the Mortgaged Item is merged is free from any third-party claims, encumbrances and restrictions). Furthermore, the Parties hereby agree that mortgage rights under the Mortgage Agreement shall apply to the entirety of the newly formed asset resulting from the merger of the Mortgaged Item with another asset, to an asset incorporated into the Mortgaged Item as its integral part or added as its superstructure or extension, to structures built on the mortgaged land parcel, to an asset resulting from the modification of the Mortgaged Item, to an additional area registered in the Public Registry after the measurement of the Mortgaged Item, or to a product of the Mortgaged Item.

2.4. The Mortgagee is entitled to:

2.4.1. Require the Owner to transfer management over the Mortgaged Item to the Mortgagee or a person selected by the Mortgagee if it is found that the Owner fails to (does not or is unable to) satisfy any of his/her/its liabilities/obligations;

2.4.2. Visit and inspect the Mortgaged Item as well as any document related thereto at any time (the Owner entitles the Mortgagee to obtain any such documents from any individual/entity);

2.4.3. If during the validity period of the Mortgage Agreement the value of the Mortgaged Item decreases or is likely to decrease, the Mortgagee may require the Owner to mortgage additional property acceptable to the Mortgagee or restore the Mortgaged Item within a term set by the Mortgagee.

2.4.4. Apply to the relevant registration service of the National Agency of Public Registry to issue the Mortgage Certificate for the Mortgaged Item;

2.4.5. Rescind the Mortgage Agreement and require immediate and full satisfaction of claims (liabilities) secured by the Mortgage and for this purpose, repossess the Collateral Item or realize it otherwise, as prescribed by the Mortgage Agreement:

2.4.5.1. If the Owner defaults on and/or breaches any warranty, representation and/or obligation set forth herein, or if documents and/or information submitted for the purpose of executing the Mortgage Agreement are found fake or inaccurate;

2.4.5.2. If the Client, his/her/its Surety, any party to any agreement executed to secure the Master Agreement(s) and/or the Surety thereof face bankruptcy/liquidation; bankruptcy proceedings are started (through court) and/or any of the persons mentioned herein goes into liquidation based on their own decision.

2.4.6. If there are several borrowers under the Master Agreement(s), at its own discretion, reduce their number at any time during the validity term of the Mortgage Agreement, without giving the Owner advance notice/without the Owner's prior consent.

2.4.7. If the liabilities secured by the Mortgage Agreement are also secured by other real/movable property mortgage/pledge, unilaterally cancel mortgage/pledge on any of the property items on its own initiative, without giving the Owner advance notice/without the Owner's prior consent.

2.5. If the Mortgaged Item is the right of superficies, the Mortgage Agreement shall also be deemed as the agreement on future property lien, under which the Superficiary pledges in favor of the Mortgagee the claim for compensation against the owner of the plot of land under Paragraph 1 of Article 240 of the Civil Code of Georgia, meaning that at any time after the registration of mortgage at the Public Registry, the Mortgagee shall be entitled to demand the registration of future pledge in relation to the claim for compensation described herein.

3. The Owner's Representations and Warranties

3.1. The Owner represents and warrants that:

3.1.1. Information supplied by him/her/it to the Bank (including his/her/its business activity details and taxpayer status) as of the date of execution of the Main Terms of the Mortgage Agreement is true, accurate, complete and exhaustive.

3.1.2. There are no pending litigations, including criminal, administrative, or civil proceedings, to which the Owner is a party (as a claimant, respondent, third party, etc.), that may threaten his/her/its title to the Mortgaged Item and/or the fulfillment of the terms and conditions of the Mortgage Agreement or any other agreements concluded with the Mortgagee;

3.1.3. He/she is aware of the type and amount of credits already drawn and the Mortgagee's corresponding security claims, as well as of the type and amount of the Mortgagee's future claims under future agreements to be entered into by the Client/the Borrower, which the property (the Mortgaged Item) shall secure in favor of the Mortgagee;

3.1.4. The Owner is thoroughly familiar with the Master Agreement and understands its content;

3.1.5. No contractual arrangement exists between the Owner and the Client under which the Client would be entitled to claim compensation from mortgage (If this statement is found to be untrue (a misrepresentation), the Owner shall be obliged to pay the Mortgagee a penalty equal to the amount of the compensation which the Client could receive from the mortgage within 2 (two) business days of the Mortgagee's demand and compensate the Mortgagee for any harm resulting from the Owner's misrepresentation). Furthermore, the Owner shall not be entitled to enter into an agreement described herein during the validity period of the Mortgage Agreement.

4. Processing and Non-Disclosure of Owner Information

4.1. TBC Bank JSC (address: 7 Marjanishvili, Tbilisi) will collect/process all credit/non-credit and other relevant information about the individual/entity (the Owner) related to data delivery to/retrieval from the Credit Information Bureau (CIB) according to the rules/on the terms and conditions envisaged by the law of Georgia. This information is processed for customer creditworthiness analysis and will be available to CIB's authorized users as stipulated in the law (lending organizations and information providers/receivers). Upon the the customer's (including the data subject's) request, the data processor shall correct, update, add, block, erase/delete or destroy the data if they are incomplete, inaccurate, outdated or have been collected and processed unlawfully.

4.2. The Owner grants the Bank an unconditional authority to perform the following activities during the validity period of the Mortgage Agreement, without any limitations (as to the amount/volume), and without the Owner's additional consent:

4.2.1. In compliance with the effective legislation and in order to provide an efficient and uninterrupted service to the Owner, retrieve from the electronic database of LEPL State Services Development Agency the necessary amount of the Owner's personal data;

4.2.2. Disclose to the court, the arbitral tribunal and/or a third party (as required by law) any information about the Owner (including information about the Owner's bank accounts, transactions, account balances and liabilities) and any agreement concluded with the Owner;

4.2.3. Supply information about the Owner's liabilities towards the Bank to the Client, the Client's Surety/ies and/or any person whose assets secure the Client's liability/ies, and/or upon request, provide any person mentioned herein with copies of relevant agreements made between the Bank and the Owner. Furthermore, spread information about any breach of the Owner's liabilities under any agreement between the Owner and the Bank through any channel, provided any person mentioned herein is spreading information about the Bank.

4.2.4. For problem asset(s) management purposes, supply the Bank's contractor problem assets management company with any information about the Owner and any agreement made with the Owner, if the Owner/the Borrower fails to perform in a timely manner and/or properly any of his/her/its liabilities towards the Bank. The problem assets management company, on its part, undertakes to protect information supplied by the Bank;

4.2.5. Supply, as necessary, any information about the Owner and any agreement made with the Owner to the Bank's auditors, consultants, advisors and other natural or legal persons belonging to a similar category. The latter, on their part, undertake to protect information supplied by the Bank;

4.2.6. For the purpose of proposing and offering various services to the Owner (including various facility offers), supply necessary information (including the Owner's personal data) to the Bank's subsidiaries or other related entity/ies. The latter, on their part, undertake to keep the information supplied by the Bank confidential;

4.3. Issues related to personal data processing are additionally regulated by the Bank's Privacy Policy, published on the Bank's website: https://tbcbank.ge/ka/privacy-policy.

4.4. Any information exchanged between the Parties under the Mortgage Agreement, whether documented or oral, shall be deemed strictly confidential. Each party shall keep the information received strictly confidential and not disclose it to any third party. The Party shall prevent any third-party access to the confidential information on a best-efforts basis, while in the event of disclosure, forthwith notify the other party and take all necessary steps to stop the disclosure. The Party undertakes to compensate for all damages that may be inflicted on the other party as a result of unlawful disclosure of information (including reputational harm), regardless of the amount of damage. The Party shall not bear responsibility if confidential information is spread/disclosed as required by the law of Georgia.

5. Closing Provisions

5.1. The pledge shall take effect upon the registration of the pledge right with a relevant registration authority and remain in force for an indefinite term (until the Bank confirms the termination thereof in writing).

5.2. Issues not covered in the Mortgage Agreement shall be regulated by the Parties in compliance with the law of Georgia.

5.3. Communication between the Parties is regulated by the Main Terms of the Mortgage Agreement.

5.4. The Parties agree that the information published on the Bank's website and maintained in the Bank's database (software), as well as electronic copies and printouts thereof, certified by the Bank, have evidential value and may serve to substantiate or challenge the occurrence of any facts or events pertaining to the contractual relations.

5.5. The Owner may not assign any of his/her obligations or rights under the Mortgage Agreement to any third party without the Bank's prior written approval.

5.6. The Bank is entitled to transfer to a third party any of its rights under the Mortgage Agreement in whole or in part without the Owner's consent.

5.7. All terms and provisions of the Mortgage Agreement shall apply to and are binding upon the assignees/transferees and legal successors of the Parties (including the new owner of the Mortgaged Item). Furthermore, upon transfer of title to the Mortgaged Item, the transferee/legal successor to the Mortgaged Item shall forthwith apply to the Bank and receive from the Bank information regarding the liabilities secured by the mortgage, the debtors/borrowers and any amendments to the Mortgage Agreement, which may not have been submitted to the Public Registry for registration.

5.8. The Parties hereby acknowledge that the Mortgage Agreement accurately reflects their true intent, which they express as a result of reasonable understanding of the Mortgage Agreement, rather than solely by reference to its literal wording.

5.9. Amendment(s) and addition(s) to the Mortgage Agreement can be made based on the Parties' mutual agreement in writing, with the exception of amendment(s) and/or addition(s) to the provision of the Special Terms, which the Bank may amend unilaterally and which will be published as per the rules for the publication of this Document. Any amendment and/or addition to the Mortgage Agreement, including the Owner's consent, shall be deemed to be an integral part of the Mortgage Agreement even if it has not been submitted to the Public Registry for registration.

5.10. If any of the provisions of the Mortgage Agreement is or will be void in the future, this shall not result in the voidance of the entire Agreement. All provisions of the Mortgage Agreement, except the one voided, shall remain valid.

5.11. The Mortgage Agreement has been composed in Georgian. If translated into a language other than Georgian, the Georgian version shall prevail in the event of any conflict between the Georgian and non-Georgian versions.

5.12. The supervisory authority of the Bank is the National Bank of Georgia (address: 0114 Tbilisi, 2 Sanapiro str.; website: www.nbg.gov.ge).