

General Provisions for POS Terminal Services

1.1 This document contains general provisions for POS terminal services.

1.2 Relations between the Bank and the Customer are regulated by the General Provisions for POS Terminal Services (hereinafter referred to as the “General Provisions”), which consists of:

- Application for Enrollment into Plastic Card System Service (hereinafter the “Application”)
- signed by the Director/Attorney of the Facility

Annex or statement (in any)

2. Definition of Terms

2.1 Definition of terms cited in this Agreement are based on the rules applied by international payment systems Visa International, Mastercard Worldwide and China UnionPay;

2.2 “The Bank” - TBC Bank, JSC; registration address: #7 Marjanishvili street, Tbilisi, tel.: 2 27 27 27; email address: info@tbcbank.ge;

2.3 “The Facility” - legal/natural person whose name and other identification details are provided in the application.

2.4 “Card”- International payment cards of Visa Electron/Visa, MasterCard/Maestro and China UnionPay;

2.5 “Processing Center” – United Financial Corporation JSC, which provides POS terminal services, authorization of card transactions and other services hereunder;

2.6 “Authorization” - transaction approval or rejection procedure when card validity and availability of the necessary amount are verified, and the amount is blocked;

2.7 “Authorization code” – six digit verification number to authorize a transaction;

2.8 “Reject Code” – code for a transaction that has been declined for various reasons.

2.9 “Transaction” – the unity of authorization and the subsequent payment transactions;

2.10 “POS Terminal” – an electronic device that transmits the transaction amount and card data to the processing center for authorization;

2.11 “Mobile Terminal” – a type of POS Terminal, the so-called “reader”, which receives payments by means of a smartphone application.

2.12 “Business Receipt” or “Automated Business Receipt” – a payment receipt printed out by a POS terminal in two identical copies and structured in full compliance with rules under Article 4.3.1 of this Agreement.

2.13 “Batch” – total amount of transactions performed within 24 hours, which a POS terminal transmits to the processing center;

2.14 “Chargeback” – according to the rules of VISA International, Mastercard Worldwide and China UnionPay, filing of a complaint over a transaction by a card issuer or holder and full or partial refund of the amount by the acquirer.

2.15 “Chargeback Document” – according to the rules of VISA International, Mastercard Worldwide and China UnionPay, a document or information supporting the process of chargeback (such as a business receipt, customer data, additional description of the transaction, an invoice/account of the facility, any statement, letter from the facility, etc.)

3. Definition of Terms used in the “Application ”

3.1 “Top-up Fee” - the total of fees from the previous month’s turnover of each POS terminal run by the “Facility” is calculated at the start of each month. If the sum of fees collected from each POS terminal is less than the amount indicated in the box for a top-up fee, the difference shall be drawn from the Facility’s current, savings or card account(s) in the month following the accounting month

on the basis of direct (pre-authorized) debit, for which the Facility gives its prior consent.

3.2 “Fixed Fee” – an amount of fee indicated in a relevant box of the application which the Facility will pay the Bank once a month and which will be added to the fee for each card transaction. The fixed fee will be drawn from the Facility’s current, savings or card account(s) in the month following the accounting month on the basis of direct (pre-authorized) debit, for which the Facility gives its prior consent.

3.3 “Exclusive Condition” - during the term of the Agreement, the Facility shall only use TBC Bank POS Terminals for Visa Electron/Visa, MasterCard/Maestro and China Union Pay. Otherwise, it shall pay the Bank a penalty in the threefold amount of the total value of transactions performed in the month (at least GEL 5 000) preceding the one when the breach took place.

3.4 Sorting option “previous month” – The previous month’s total transaction value will affect the Bank fee for the previous month. The difference between previous month’s total transaction value and the total transaction value indicated in the application will be transferred to the account of the facility indicated in the Agreement no later than the 10th day of the following month.

3.5 Sorting option “current month” – The previous month’s total transaction value will have an effect on the Bank fee for the current month.

3.6 “Total Fee” – the sum of fees collected from the previous month’s turnover of the Facility. If the sum is less than the amount indicated in the box for the “Total Fee”, the difference shall be drawn from the Facility’s current, savings or card account(s) in the month following the accounting month on the basis of direct (pre-authorized) debit, for which the Facility gives its prior consent.

3.7 “Advance Fee” – an amount of fee which the Bank draws from the Facility’s account(s) in advance.

4. Rights and Responsibilities of the Parties

4.1 The Bank is obliged to:

4.1.1 Ensure continuous authorization of cards via the Processing Center;

4.1.2 Ensure payments for Visa Electron/Visa, MasterCard/Maestro and China UnionPay card transactions performed via POS terminals upon the Facility’s complete and due fulfillment of its obligations under this Agreement and under the Application and within three banking days for TBC Bank customers and five banking days for any other bank’s customers.

4.1.3 Deliver to the Facility a POS Terminal free of charge for a definite period of time (each POS Terminal valued at USD 500 (five hundred)

4.1.4 Provide POS Terminals with free technical support

4.1.5 Inform the Facility in writing about important operating changes/updates no later than five banking days in advance;

4.1.6 Keep information about the Facility’s cash flow fully confidential;

4.1.7 Based on the Facility’s written request, provide card service training and respective instructions to the Facility personnel that are directly in charge of card-holder services or duly instruct the Processing Center to deliver such a training.

4.2 The Bank is authorized to:

4.2.1 Transfer payments less by fees only to the accounts indicated by the Facility;

4.2.2 Not to provide payment based on fake or invalid business receipts that have been made through the breach of rules described in Article 4.3.1 hereunder and release itself from the responsibility to provide such payments (i.e. based on business receipts made through the breach of rules under Article 4.3.1).

4.2.3 If a breach is observed, block and reserve the amount payable to the Facility in order to allow

for a chargeback, penalty and/or compensation for loss;

4.2.4 If the amount of reserve does not fully cover the Bank exposure to the Facility, draw the amount from any account of the Facility, to which the Customer agrees in advance. If the amount is drawn in different currencies, the equivalent shall be calculated based on the exchange rate set by the Bank at the time of drawing the amount. If the amount is not available in the account, the Bank shall notify the Facility regarding the outstanding liability in writing.

4.2.5 Not to make payments for POS Terminal transactions if the Batch submitted is older than 30 calendar days;

4.2.6 Draw erroneous transfers from the Facility's account on the basis of direct (pre-authorized) debit;

4.2.7 Check periodically the Facility's observance of transaction rules hereunder;

4.2.8 Do not provide payment to the Facility if transactions performed via POS Terminals operated by the Facility are suspicious or illegal;

4.2.9 In case of Chargeback, block the respective amount in the Facility's account until the completion of the Chargeback process, which complies with the rules of VISA International, Mastercard Worldwide and China UnionPay;

4.2.10 Request all necessary information and documents from the Facility in the case of Chargeback as well as any suspicious and illegal transaction;

4.2.11 If, within one calendar month, the total Chargeback amount reaches 3 percent of the total transaction value, or the number and/or amount of transactions sharply increases, suspend payments to the Facility and card services until the cause is identified (through checking);

4.2.12 If a transaction is cancelled or adjusted, discuss the information and examine relevant documents within 3 days from the transfer of the transaction amount to the Bank's account and take a decision regarding the return of the amount to the card-holder's account;

4.2.13 With no prejudice to its rights under the Law and this Agreement, if Articles 4.3.2, 4.3.20, 4.3.23, 4.3.24 and 4.3.26 are breached, the Bank is authorized to charge and the Facility is obliged to pay the penalties envisaged by these provisions;

4.2.14 If the Facility defaults on its obligations under 4.3.2, 4.3.20, 4.3.23, 4.3.24 and 4.3.26 of this Agreement, draw the amount of penalty envisaged by the same provisions from the Facility's bank account(s) within 5 banking days, to which the Facility agrees in advance;

4.2.15 Suspend immediately the authority of the Facility and payments thereto for any material reasons damaging the reputation of the international payment systems of VISA International, Mastercard Worldwide and China UnionPay;

4.2.16 Ensure the delivery, collection, installation, removal and full service of POS Terminals at the Facilities through the personnel of Bank Systems Services, JSC who are authorized to sign the Delivery and Acceptance Certificate.

4.2.17 The Bank shall be authorized to draw the amount indicated in the box for Advance Fee from the Facility's account(s) upon signature of the Agreement. If the total fee collected from the previous month's POS terminal turnover exceeds the Advance Fee, the latter shall be returned in full to the Facility's account. However, if the total fee collected from the previous month's POS terminal turnover is less than the Advance Fee, the difference shall be drawn from the Facility's account(s) based on the logic described in Article 3.1

4.2.18 The Bank shall be authorized to draw Fixed Interest from the Facility's account for the number of months agreed in advance.

4.3 The “ Facility” shall be liable to:

4.3.1. Observe the terminal service rules via Visa Electron/Visa, MasterCard/Maestro and China Union Pay cards at the Facilities:

- Have the client sign the receipt of the transaction carried out via a magnetic stripe;
- If the amount of the transaction carried out via a magnetic stripe is above GEL 100, additionally require the ID card and write its number on the printed out receipt;
- Keep the receipt signed by the client within 180 days;
- Deem the payment successfully completed only in case the printed out receipt says – “confirmed, response code 000).

4.3.2 Carry out the service via Visa Electron/Visa, MasterCard/Maestro and China Union Pay cards by strictly observing the rules defined under this Agreement.

4.3.3 Ensure the batch sending procedure to the “Processing Centre” according to the rules established hereunder;

4.3.4 Open an account with TBC Bank JSC (if not already opened), wherein the receivables hereunder will be transferred;

4.3.5 Ensure the transfer of the amount to the “Bank” account within 5 banking days in case of a cancelled transaction or an adjusting entry;

4.3.6 Authorize only the staff instructed by the Bank to work at POS Terminals and require in writing from the Bank or the Processing Centre to give instructions to new personnel;

4.3.7 Not to transfer to and allow the use of the POS Terminals by third parties;

4.3.8 The “facility” shall be prohibited from the movement of the Terminal to another Facility or Branch without the Bank’s permission;

4.3.9 Not to post the credit transaction without having posted a relevant debit transaction;

4.3.10 Not to accept the card for other purposes rather than the sale of goods or service (e.g. encashment or similar transactions);

4.3.11 Not to add any additional fee or charge to the amount of the transaction;

4.3.12 Place the POS Terminals and the advertising materials as agreed with the Bank;

4.3.13 Keep the business receipts and batch receipts within 180 days and transfer to the “Bank” within five banking days from the request thereof;

4.3.14 Keep the card transactions-related information as strictly confidential;

4.3.15 Not to request or use the card number for other purposes, except for the settlement of accounts for goods and services;

4.3.16 The Facility undertakes to inform the “Bank” regarding the use of the third party-representative, who will have an access to the card data and confirms that the third party – representative meets the safety requirements set for the Payment Systems of Visa Electron/Visa, MasterCard/Maestro and China Union Pay.

4.3.17 The requirements provided below are valid only in case the Facility is using the card data processing service of the third party:

- The Facility ensures the compliance of the Payment Systems of Visa International, Mastercard Worldwide or China Union Pay with the safety requirements, such as: transaction-related information, storage and protection thereof.
- The Facility confirms that it is fully aware of the PCI-DSS safety programme of the Payment Systems of Visa International, Mastercard Worldwide or China Union Pay with respect to the protection of the card data and undertakes to fulfill the requirements related thereto.

4.3.18 In case of charge-back, the Facility shall be liable to fully compensate the amount whose reversal is initiated by Visa International, Mastercard Worldwide or China Union Pay prior to the completion of the charge-back process;

4.3.19 In case of charge-back, the Facility shall be liable to transfer to the Bank the charge-back documents upon request, otherwise the Facility shall be liable to pay the full charge-back amount;

4.3.20 The Facility shall be liable to compensate the Bank for the loss incurred by the latter as a result of negligence by the service personnel of the Facility and/or the breach of the card service rules defined in Article 4.3.1;

4.3.21 The Facility shall be liable to forthwith inform the Bank or the Processing Centre in case of drawbacks in the operation of POS terminal;

4.3.22 The Facility shall be liable to promote the prevention of illicit income legalization - the Facility shall present the transaction-evidencing receipt, issued only as a result of trade transaction carried out between the card holder and the Facility;

4.3.23 The Facility is not authorized to add the fee charged by the Bank to the cost of goods and/or service, otherwise it shall be liable to pay to the Bank the penalty in the amount of GEL 100 for each such case of insurance;

4.3.24 In case of closure of the Facility or the termination of the Agreement, the Facility shall be liable to return to the Bank the POS Terminals transferred to it within 20 /twenty/ working days from the closure of the Facility or the termination of the Agreement. In case of default on the fulfillment of this requirement, the Facility shall be liable to pay to the Bank 0.05% of the total cost of the POS Terminals subject to back transfer for each day overdue;

4.3.25 The Facility shall be liable to give the Bank at least a five-day written or electronic notice (to the e-mail address: acquiring/tbcbank.com.ge) on the opening of a new Facility for the purpose of timely installation of the POS Terminal;

4.3.26 Except for the reasons related to the technical failure, the Facility shall not refuse the Client to settle accounts via the card transactions. If the Facility breaches the term under this Article, the Bank shall be authorized to impose and the Facility shall be liable to pay to the Bank the penalty in the amount of GEL 100 (hundred) for each case of the violation; the Bank can exercise this right only at its own discretion and shall not have the obligation thereof;

4.3.27 The Facility can use the Terminal only in line with the profile indicated in the application for the Terminal. In case of adding or replacing the profile, the Facility shall be liable to inform the Bank thereof;

4.3.28 The Facility shall be liable to take care of and not to damage the received equipment to be used free of charge for a definite period of time;

4.3.29 The Facility shall not make any technical and software updates to the Terminal;

4.3.30 The Facility shall be liable to forthwith inform the Processing Centre at the phone number: 0322777222 in case of technical interruption;

4.3.31 In case of the termination of the Agreement, the Facility shall be liable to return to the Bank the Terminal as well as the related accessories indicated in the Acceptance and Delivery Certificate in their initial condition with normal wear and tear;

4.3.32 In case of the Terminal's physical damage, the Facility shall be liable to compensate the Bank the costs incurred for major repair works;

4.3.33 In case of default on returning the Terminal, the Facility shall be liable to compensate the Bank the current value thereof;

4.3.34 If any of the POS terminal accessories listed on the Acceptance and Delivery Certificate are not returned to the Bank, the Facility shall be liable to refund the Bank their respective value in the amount indicated in the Acceptance and Delivery Certificate;

4.3.35 The Facility shall be liable to check if the information on the POS Terminal receipt corresponds to the Application. By accepting the Terminal, the Facility admits that the POS Terminal is programmed as indicated in the Application.

The Facility shall be authorized to:

4.4. To get additional consultation on card transactions;

4.5 To request in writing the repeated training of its personnel;

5. False or Invalid Business Receipts

5.1 As agreed between the Parties, the automatic business receipt shall be considered as false and the Bank shall not transfer funds to the Facility if:

5.1.1 The business receipt or its copy submitted by the Facility to the Processing Centre does not correspond to the authorization data;

5.1.2 The business receipt is not filled out in line with the rules set forth in Article 4.3.1 hereunder;

5.1.3 Changes are made to the business receipt or its copies are not identical;

5. Responsibilities of the Parties

6.1 In case of default on or undue fulfillment of the terms hereunder, the Parties shall bear the responsibility in line with the effective legislation;

6.2 The breaching Party to the Agreement shall fully compensate the material loss inflicted as a result of the breach of the terms hereunder;

6.3 The Bank shall not be responsible for the disagreement arising between the Facility and the Card Holder, if it is not directly related to the terms hereunder;

6.4 The Parties shall be released from the responsibility for the default on the obligations assumed hereunder, if the default is caused by force major and a relevant certificate evidencing the occurrence of such circumstances was issued by a competent body; The obligations assumed hereunder shall be fulfilled once the events of force major cease.

7. Additional Conditions

7.1 Any controversy between the Parties shall be settled by amicable negotiation between them. If it cannot be settled through negotiation, the dispute shall be resolved by the rule under the effective legislation of Georgia;

7.2 In case of default on or undue fulfillment of the terms hereunder, the Parties shall bear the responsibility in line with the effective legislation;

7.3 The Parties shall not be authorized to alienate the rights and obligations hereunder;

7.4 The Parties shall be released from the responsibility for the default on the obligations hereunder, if Force Major events occur under international Law and there exists a relevant certificate evidencing the occurrence of such circumstances issued by a competent body;

7.5 Unless the conditions hereunder do not envisage any occurred circumstances, the Parties shall be governed by the effective legislation of Georgia;

7.6 The Parties shall deem as official documents the following: the data posted at the Processing Centre, the authorization data, automatic business receipts, batch data, statements received from "Banks" and charge-back documents;

7.7 The Parties agree that the Bank ensures the delivery-collection, installation and removal and full service of POS Terminals with the help of the staff of Banking Systems Service Company LLC , who are authorized to sign the relevant Acceptance and Delivery Certificates on behalf of the Bank;

7.8 The Bank shall be authorized to terminate the validity of the Agreement at any time by giving a five-day termination notice to the Facility, if the amount of transactions carried out via the Terminal at the Facility is less than GEL 1000, or the Facility has not paid the monthly fee described in the "Application";

7.9 The Parties shall finally settle their accounts within ten banking days from the termination of the Agreement;

7.10 The Agreement shall be deemed finally terminated after the solution of all types of financial and logistics issues;

7.11 The Parties shall be liable to inform each other in writing on any material change (details, legal status, change of activity, liquidation, bankruptcy) within ten days therefrom;

7.12 Any amendment or addition to this Agreement shall be implemented through their publication on TBC Bank's website (www.tbcbank.ge). The revision shall be deemed valid unless rejected by the Facility in a letter or email message within one month from the publication of the amendments (acquiring@tbcbank.com.ge);

7.13 Any agreement of the same content signed between the Parties prior to the effective date of this Agreement shall become invalid upon the signing of the Application;

7.14 If any paragraph of the Agreement is held or declared void, it shall not invalidate the Agreement as a whole;

7.15 The Agreement shall come into force from the day of its signing and be valid within three calendar years. The term shall be automatically extended unless the Parties declare their wish to early terminate the mentioned Agreement. A Party shall be authorized to early terminate the Agreement by giving the three months' written or electronic notice to the e-mail address: acquiring@tbcbank.com.ge.

7.16 „The Bank is authorized to unilaterally change the amount of the fee(s) under the "Statement" at any time during the validity of the Agreement. The Bank shall give a 30 (thirty) calendar day notice to the facility regarding such a change by any means of communication (mail, electronic mail, iBank, SMS and/or others). If the facility does not agree with the change, it shall notify the Bank thereof in writing within 10 (ten) calendar days from receiving the notice and the Bank shall be authorized to terminate the validity of the Agreement by meeting the requirements set for the Parties under Articles 7.9 and 7.10 of the Agreement.

7.17 Any notification shall be made in writing or in any other manner envisaged by this Agreement. The notification shall be delivered to the Party at the address last known to the addresser. The Bank is also authorized to apply other communication media including e-mail, digital communication, telephone, etc.

The Parties agree that any electronic notification sent to the Facility at the electronic mail address indicated by the latter (a) in any document supplied/presented by the Facility to the Bank, and/or (c) any public source, shall be deemed officially delivered to the Facility;

If a notification is sent to the Party by electronic mail, the receipt (delivery) of the notification shall be confirmed by an extract from the respective device and/or a confirmation received by means of the device.

The Facility agrees that the electronic notification sent to the electronic mail address specified in this Article shall be deemed delivered, if the receipt/delivery of the notification is confirmed by an extract from the respective device and/or a confirmation received by means of the device.

The notification shall be deemed received/delivered even if it is returned to the sender because the recipient's address does not exist or the addressee refused or evaded to accept the notification.

The notification shall be likewise deemed received/delivered if the act of sending and delivery complies with any form and means of information exchange envisaged by the Law.