

Main Terms of the E-Commerce Agreement (hereinafter referred to as the “Main Terms of the Agreement”)

- 1.1 The Merchant (an entrepreneur/ individual taxpayer and/or legal entity/ organizational entity) ensures the acceptance of VISA and Mastercard payments for goods/services via TPAY and/or GEOPAY as payment gateways;
- 1.2 Under the Agreement, the Bank ensures the settlement of VISA and Mastercard payments accepted by the Merchant for goods/services;
- 1.3 Terms of the Agreement are additionally regulated by the Standard Terms of the E-Commerce Agreement (hereinafter referred to as the “Standard Terms” attached hereto) and relevant annexes to the Main Terms of the Agreement and/or to the Standard Terms and/or to any application signed by the Merchant, whereby he/she/it joins the Agreement (the Main Terms of the Agreement and the Standard Terms) (hereinafter referred to as the “Application”), which are attached to the aforementioned documents and/or will be signed/agreed by and between the Parties in the future and represent an integral part hereof;
- 1.4 The Bank is authorized to make amendments/additions to the terms envisaged by the Agreement and/or by any annex and/or any application and/or published on the Bank website <http://tbcbank.ge/web/ka/web/guest/e-commerce> either by displaying relevant information on the Bank website or sending a relevant notification to the Merchant 5 (five) calendar days before effecting the amendments/additions. In the event described in this Article, at any time within 5 (five) calendar days from the publication of the news on the Bank website or from receiving the Bank’s notification, the Merchant is authorized to fulfill his/her/its obligations before the Bank by settling all service fees and other payments/charges and thus terminate the Agreement (request termination from the Bank). The Agreement shall be valid until full settlement of all the obligations assumed by the Merchant hereunder. If the Merchant does not exercise his/her/its right to terminate the Agreement, the amendments/additions proposed by the Bank shall be deemed accepted by the Merchant and the provisions shall be amended as proposed. The Bank is authorized to effect immediately upon publication those amendments/additions that do not deteriorate the Merchant’s position;
- 1.4.1 The Merchant shall be informed of changes in the tariffs/payments set by the Bank 1 (one) month before the changes are effected as stipulated herein;
- 1.5 The Parties agree that if the Bank’s amendments/additions made to any term(s) set forth in this Agreement and/or in any application and/or in any annex and/or published on the Bank website is favourable for the Merchant, the Bank is not obliged to inform the Merchant thereon in advance.
- 1.6 Any notification between the Parties shall be made in writing or in any other way envisaged by the Agreement. A written notification shall be delivered to the Party at the address last known to the addresser. For notifications, the Bank can also use other means of communication (including, electronic, digital, telephone, etc.);

- 1.6.1 The Parties agree that any electronic notification sent to the electronic mail address stated by the Merchant and indicated (a) in the Agreement and/or (b) in any document/Application signed /presented/ submitted to the Bank by the Merchant and/or (c) in any public source shall be deemed officially delivered to the Merchant;
- 1.6.2 If a notification is sent to the Party by electronic mail, its acceptance by (delivery to) the Party shall be confirmed by an extract from the respective device and/or a confirmation received by means of the device. The Merchant agrees that the notification sent to an electronic mail address indicated in Article 1.6.1 of the Agreement shall be deemed delivered if its acceptance by or delivery to the Party is confirmed by an extract from the respective equipment and or a confirmation received by means of the device;
- 1.6.3 A notification shall be deemed accepted/delivered even if it is returned to the sender because the recipient's address does not exist or the addressee has refused to accept or evaded the notification;
- 1.6.4 The notification shall be likewise deemed accepted/delivered if the act of sending and delivery complies with any form and means of information exchange envisaged by the legislation;
- 1.7 All annexes and agreements on amendments and additions hereto shall be deemed an integral part hereof;
- 1.8 Issues not covered in the Agreement shall be governed by the effective legislation of Georgia;
- 1.9 Any disputes and conflicts between the Parties shall be resolved through negotiations. If the Parties cannot reach an agreement, the dispute shall be taken to the court of law for discussion and final resolution. The Parties agree that pursuant to Article 268.1¹ of the Civil Procedure Code of Georgia, upon the satisfaction of the Bank's claim related to the dispute arising out of the Agreement, the judgment made by the court of first instance shall be subject to immediate execution;
- 1.10 In case of any discrepancy between this Agreement and previous agreements signed by the Parties on the Subject Matter hereof, this Agreement shall take precedence;
- 1.11 Voidance and/or invalidity of any part hereof shall not result in the voidance and/or invalidity of the entire Agreement.

Standard Terms of the E-Commerce Agreement (hereinafter referred to as the "Standard Terms")

1. Definition of Terms used in the Agreement

1.1 Definition of terms and rules provided in the Agreement are based on the rules of the international payment systems VISA International and Mastercard Worldwide:

"Authorization" – a procedure whereby the availability of the necessary amount is checked in the card account and the amounts is subject to a hold; a procedure for approving or rejecting a transaction request;

- “Transaction”** – a payment operation preceded by authorization;
- “Card”** – an international bank payment card - VISA and Mastercard;
- “Cardholder” (Client)** – a person using a bank card under a relevant agreement signed with the issuer;
- “Batch”** – multiple transactions performed within 24 hours, which the E-Commerce gateway transmits to the Processing Centre;
- “Chargeback”** – according to the rules of VISA International and Mastercard Worldwide, a procedure whereby a card issuer or holder files a claim against a transaction and requests full or partial reversal from the acquirer (a bank that processes payments on behalf of the Merchant) ;
- “Fee”** – a charge for the services under the Agreement, paid by the Merchant to the Bank according to the rule stipulated by the Agreement and the tariffs set out in the Application signed by the Merchant;
- “Upfront Fee”** – an amount drawn by the Bank from the Merchant’s account(s) in advance;
- “Top-up Fee”** – an amount calculated as follows: fees paid on the Merchant’s transactions in the previous month are summed up at the start of each month. If the sum of the fees paid in the previous month is less than the amount indicated in the Top-Up Fee box, the difference shall be drawn by direct debit from the Merchant’s current, savings or card account(s) in the month following the accounting month, to which the Merchant hereby agrees. The Parties agree that fees accrued on previous month’s transactions but debited in the following/current month do not count as the previous month’s fees;
- “Deduction”** – drawing funds from the Merchant’s bank account/accounts for the settlement of accounts under the Agreement;
- “Investigation”** – collection and clarification of information by the Bank if a problem arises in connection with the Agreement;
- “International Payment System”** – international payment systems VISA and Mastercard;
- “Insurance Reserve”** – funds envisaged herein that are transferred by the Merchant to the Bank and/or deducted by the Bank from the transaction amount before it is paid to the Merchant’s accounts. The Insurance Reserve is deposited into an intrabank account;
- Required Balance of the Insurance Reserve – the minimum balance of insurance reserve defined by the Bank under the Agreement;
- “Reversal”** – refund of the transaction amount to the customer initiated by the Merchant if the customer returns goods or rejects the service;
- “Business Day”** – a calendar day except Saturday, Sunday and holidays under the Georgian legislation (from 10:00 am to 18:00 pm);
- “Deal”** – a transaction signed between the Merchant and the customer for the purchase of goods/ services, whereby payments are made with payment cards and by means of the online shopping toolkit;

“Online Shopping Toolkit” – a software application and hardware tools that enable the Merchant to display goods/services data on the website and make deals;

“Deal amount” – funds payable to the Merchant for goods/services purchased by the customer in compliance with signed deals and agreements;

“Good/Services” - Goods/services sold by the Merchant via online shopping;

“Issuer” – a credit organization that issues and delivers to customers bank cards based on relevant agreements;

“Online Ledger” –transaction data generated electronically upon card payments in the online payment gateway. Online Ledger is the basis for the settlement of accounts between the Merchant and the Bank.

2. Rights and Obligations of the Bank

2.1 In line with the Agreement, the Bank undertakes to:

2.1.1 Transfer transaction amount(s) to the Merchant’s account (an account provided by the Merchant to the Bank) in the national currency based on the transaction data recorded in the Online Ledger and to the deadlines specified in the Application/on the Bank website;

2.1.2 Carry out the transfer(s) indicated in Article 2.1.1 of the Standard Terms based on the batch data through the payment gateway;

2.1.3 At the Merchant’s request, supply the latter with reports on the Merchant’s transactions via e-mail or fax;

2.2 Under the Agreement, the Bank is authorized to:

2.2.1 Draw the amounts listed below from the Merchant’s account(s) by direct debit:

1) Bank fees;

2) Amounts subject to reversal;

3) Amounts under transactions which the card issuer has declared fraudulent and/or against which it has filed a claim (chargebacks);

4) Penalties imposed by the International Payment System on the Bank due to an incident observed with the Merchant /due to charges against the Merchant;

2.2.2 Draw funds from transaction amounts by direct debit in order to maintain the Required Balance of the Insurance Reserve;

2.2.3 Supply the International Payment System with any information about the Merchant available to the Bank, if requested;

2.2.4 If, within one calendar month, the amount and/or number of chargebacks is 1% (one percent) of the total amount and/or number of transactions or if the number and/or amount of transactions grows sharply, suspend card services and the settlement of accounts with the Merchant until the causes are identified (checked);

2.2.5 Require from the Merchant all necessary information and documents in the event of a chargeback as well as any suspicious and/or illegal transaction;

- 2.2.6 Suspend daily (24-hour) authorization of transactions if the Merchant defaults on the Bank's requirements related to the fulfillment of his/her/its Insurance Reserve obligations;
- 2.2.7 Suspend daily (24-hour) authorization of transactions in the ongoing month if in the previous month the Merchant has exceeded his/her/its online shopping transaction limits set out in this Application/ on the Bank website;
- 2.2.8 Deduct by direct debit necessary funds from the Merchant's transaction amounts and/or any of his/her/its account(s) opened with the Bank if the Required Balance of the Insurance Reserve is not sufficient to settle the Merchant's liabilities to the Bank arising from the Main Terms of the Agreement and the Standard Terms. In the absence of transactions and/or account balance(s), the Merchant is obliged to forthwith fulfill his/her/its obligations upon the Bank's notice;
- 2.2.9 Without seeking the Merchant's further approval, open for the Merchant a payment (current, card, sales, other similar accounts) and/or a Call Deposit account in any currency, if it the Bank finds out that the Merchant does not have such an account and/or it is necessary to open such an account additionally (for fulfilling obligations hereunder, for performing transfer transactions in a currency different from the currency of the payment account(s), etc.). In this case, the Agreement and/or the Application shall be deemed the Merchant's application for opening a relevant account;
- 2.2.10 Deduct the Upfront Fee amount indicated in the Application/on the Bank website from the Merchant's account(s) upon the signature of the Agreement/Application / upon the receipt of the Merchant's notification (request/ consent) via remote channel (including email and internet banking) regarding the use of any service envisaged by this Agreement. If the total fee collected from the Merchant's sales in the previous month exceeds the Upfront Fee, the latter will be returned in full to the Merchant's account. However, if the total fee collected from the Merchant's sales in the previous month is less than the Upfront Fee, respective fees will be drawn from the Merchant's account(s) in compliance with rules set forth herein;
- 2.2.11 If the Agreement is terminated, not to return the upfront fee to the Merchant, regardless of the reason for termination;
- 2.3 Although the Insurance Reserve percentage is specified in the Application/ on the Bank website, the Bank can increase or decrease the percentage at any time at its own discretion. The revision must be based on the Merchant's chargeback and reversal indicators and amounts, the status of the Merchant's accounts, the volume of transactions and other key factors and standards;
- 2.4 The Bank is authorized to suspend forthwith the settlement of accounts with the Merchant and/or terminate the Agreement if there are material circumstances that may inflict a loss on or cause reputational damage to VISA and Mastercard.

3. Rights and Obligations of the Merchant

3.1 Under the Agreement, the Merchant shall:

- 3.1.1 Open a current account with TBC Bank JSC (if he/she/it does not have such an account anymore), where to transfer funds under the Agreement;

- 3.1.2 After the Bank ensures that a payment gateway is integrated into the Merchant's website, display the card payment rules on the online shopping website;
- 3.1.3 Sell goods/services via online shopping in line with his/her/its field of business;
- 3.1.4 Pay the Bank the following amounts within 3 (three) business days from the Bank's notification:
 - Reversals;
 - Transactions against which the card issuer has filed a claim (chargebacks);
 - Penalties/payments imposed by the International Payment System on the Bank due to incidence observed with/ charges laid against the Merchant;
 - Any type of loss/damage caused to the Bank due to incorrect/inaccurate information about the Bank spread by the Merchant.
- 3.1.5 Report to the Bank in writing any changes in his/her/its contact details (legal/physical address, bank details, telephone number, fax number, e-mail address), as well as in his/her/its status (including, legal status, field of business, liquidation, bankruptcy) as soon as these changes are put into effect;
- 3.1.6 Observe the International Payment Systems' requirements for merchants with e-commerce websites, which are provided in Annex #1;
- 3.1.7 Fulfill the requirements set forth in Article 3.1.4 of the Agreement within 180 (one hundred and eighty) days after the Bank forwards each authorized request to the International Payments Systems. Thus, the Bank will have the right to deduct by direct debit the amounts indicated in Article 3.1.4 hereof from the Merchant's Insurance Reserve and/or other accounts within 180 (one hundred and eighty) days after the Bank forwards each authorized request to the International Payments Systems;
- 3.1.8 Ensure that the Bank has free access to all Internet and/or other information resources which the Merchant uses for the sale of goods/services;
- 3.1.9 Use exclusively TBC Bank's E-Commerce services for VISA/ Mastercard payments cards during the validity term of the Agreement. Otherwise, the Bank is authorized to require, and if so, the Merchant is obliged to pay the Bank a penalty equal to six times the sum of the E-Commerce transactions in the last 6 (six) months (minimum 5 000 (five thousand) GEL);
- 3.1.10 Not perform a transaction (not to accept a payment) that is not directly related to the sale of goods/services offered by him/her/it to the customers;
- 3.1.11 Not take part in transactions/fictitious transactions (without rendering a service to the customer(s)) that are directly or indirectly related to money laundering;
- 3.1.12 Not submit a transaction receipt (sales slip) which he/she/it knows or should know is falsified or has not been authorized by the Cardholder;
- 3.1.13 If the fees set by the Bank are not paid in full and/or in due time, ensure that all of the Merchant's outstanding payments/charges are duly settled within 10 (ten) calendar days from the Bank's respective notice. Otherwise, the Bank is authorized to suspend any service (including, the E-Commerce service) under the Agreement and/or annexes hereto, and

furthermore, to terminate the service (including, the E-Commerce Service) unless all of the liabilities are fully satisfied within 30 (thirty) calendar days from the suspension of the service;

3.1.14 Check all transactions on TPAY WEB and/or in a mobile application;

3.2. In compliance with the terms of the Agreement, the Merchant is obliged to ensure that:

3.2.1 Payment transactions accepted by the Merchant display all relevant card transaction data; the Merchant's MCC (Merchant Category Code) has been assigned by TBC Bank JSC; the website used by the Merchant for online shopping is the one indicated in the Merchant's documents submitted to the Bank;

3.2.2 If the Merchant violates his/her/its obligations set forth in Paragraph 3.2.1 hereof, he/she/it pays the Bank a penalty of 25 000 USD for each event of violation;

3.2.3 Customer account numbers are not elicited and used for purposes other than the payment for goods and services;

3.2.4 The transactions are not subject to additional charges;

3.2.5 The Merchant does not accept any payment unless the purpose of the transaction is the sale of offered goods/services;

3.2.6 The Merchant is held responsible for the actions of his/her/its employees during their employment period;

3.2.7 The Merchant implements anti-money laundering measures to comply with the Law of Georgia on the Facilitation of Prevention of Illicit Income Legalisation as well as the International Payment Systems' (VISA/Mastercard) anti-money laundering regulations;

3.2.8 Goods/services are not exported to countries that are subject to legal and/or export restrictions;

3.2.9 Credit entry is prohibited unless debit entry has been posted for the same transaction;

3.2.10 The Merchant performs all of his/her/its obligations fully and properly;

3.3. The Merchant is authorized to:

3.3.1. Receive from the Bank additional consultations and explanations/definitions regarding card transactions;

3.3.2. Carry out reversals;

3.3.3. Receive statements on its transactions.

4. Responsibilities of the Parties

4.1. If the Parties default on their obligations under the Agreement or the obligations are not duly and completely satisfied, the Parties shall be held responsible in compliance with the effective law of Georgia and the provisions of agreements concluded by and between them;

4.2. If the Merchant defaults on his/her/its obligations under the Agreement or the obligations are not duly and completely satisfied, he/she/it shall compensate the Bank for direct or indirect losses whether inflicted intentionally or due to neglect;

4.3. The Bank's responsibility to pay damages arising out of or in relation to the Agreement is only limited to a direct and intentional damage. Therefore, the Merchant acknowledges that he/she/it shall not have the right to make any claim against the Bank if the latter causes damage to the Merchant due to neglect, which includes reputational damage, loss of interest, etc.;

4.4. The Bank shall not be held responsible for payment errors due to incorrect banking details supplied by the Merchant or due to the Merchant's delay to report changes in banking details;

4.5. The Bank shall not be held responsible for the damage brought to customers or third parties that may result from the Merchant's default on his/her/its liabilities in any deal;

4.6. The Merchant shall be held responsible for the quality of goods/services offered for sale, as well as for the content of any information he/she/it provides to customers, including the selling details displayed on the Merchant's website. The Merchant is likewise obliged to delete immediately any information about the Bank published on his/her/its website, if required so by the Bank;

4.7. The Merchant shall be fully obliged to refund the amounts debited/ to be debited under the Agreement and/or the possible damage resulting from the debiting;

4.8. The Bank shall not be held liable to refund amounts debited in compliance with the Agreement;

4.9 The Bank shall not be held responsible for the consequences of accepting notifications and/or documents forwarded to the Bank from the Merchant's addresses/accounts (email, internet banking) by a third party, and of its (the Bank's) subsequent actions.

5. Force Majeure and Restriction of Obligations

5.1. The Parties are released from contractual obligations if non-fulfillment thereof is due to force majeure events ("Force-Majeure");

5.2. For the purpose of this provision, Force Majeure refers to unavoidable circumstances beyond the control of the Parties that do not depend on the Parties' activities or inactivity.

6. Validity Term, Amendment and Termination of the Agreement

6.1. This Agreement shall enter into effect immediately upon the Bank's confirmation of the receipt of the Application or upon the receipt of the Merchant's notification (request/consent) via remote channel (including email and internet banking) regarding the use of any service envisaged by this Agreement, and shall remain in force indefinitely;

6.2. The Merchant can terminate any or all services envisaged hereunder by giving the Bank 15 (fifteen) calendar days' written notice. In this case, the Merchant shall pay the Bank all fees and other charges related to the service(s) in question within 5 (five) calendar days from delivering a service termination notice to the Bank;

6.3. The Bank can terminate the Agreement at any time by giving the Merchant 15 (fifteen) calendar days' written notice. The Agreement shall be deemed terminated after all financial, organizational and technical matters are settled;

6.4. The Bank is authorized to revise terms, characteristics of and/or charges for services described herein (if the Bank's rates change) and propose the Client the revised terms and charges or terminate any or several services envisaged by the Agreement or annexes hereto;

6.5. The Bank can exercise its right(s) set forth in Paragraphs 2.2, 2.3 and/or 2.4 of the Standard Terms for 180 (one hundred and eighty) days from the termination of the Agreement.

7. Confidentiality

7.1. Unless otherwise envisaged by the effective law of Georgia, each Party undertakes not to disclose to a third party/ies without the other Party's consent any information that directly or indirectly relates to the Agreement and is confidential;

7.2. If the breach of disclosure by any of the Parties brings damage to the other Party or to third parties, the breaching Party shall pay the damages.

8. Other Terms

8.1. The Parties declare that the maturity period for obligations undertaken by the Merchant and described in Paragraphs 3.1 and 3.2 of the Standard Terms starts to be calculated from the moment transaction details are posted to the transaction archive (authorization history). Batch data shall serve as evidence for the maturity date of the obligation(s).

Annex #1

1. The website must display the Merchant's full name and address clearly and prominently;
2. The website must indicate the Merchant's telephone number and email address through which customers will be able to receive any information regarding current payments;
3. The website must provide full and clear description of the goods or services as well as display terms and procedures for the purchase of goods/services, order cancellation or refund eligibility. These details must be communicated to the customer before the purchase of goods/services in order to prevent confusion, complaints and disputes;
4. Registered trademark logos of JSC TBC Bank, VISA and Mastercard must be displayed prominently, without any modifications;
5. As the customer may be a non-resident person / a foreign citizen, the website must also provide a foreign currency equivalent of the price of goods/ services;
6. Goods/service delivery terms and the related information (delivery time, price, exceptions, etc.) must be provided in detail;
7. Upon the delivery of goods/services, a transfer and acceptance report indicating the receiving party's name shall be filled out and signed by both parties;
8. The following documents must be published on the website:
 - Customer confidentiality policy;
 - Transaction security policy;
 - Payment policy;
 - Regulatory compliance policy;
 - Business descriptor (trade name) before the payment transaction is completed, which will be indicated in the customer account statement;
9. When a transaction is carried out, the cardholder data (name, address, telephone) must be necessarily indicated on the website and the information must be delivered to the Bank upon request in the course of 6 months from the transaction date.

Annex #2

This Annex regulates payments via TPAY (tpay.ge) that supports remote transactions as well as payments at retail outlets.

The Client carries out remote transaction from his/her account via website and mobile application.

TPAY payment service terms for a remote service provider (the Merchant):

1. The registered trademark logo of TPAY must be displayed on the website prominently and without modifications;
2. TPAY Administrator rights and admission parameters will be assigned to the Merchant's Director and access rights will be activated on the Director's telephone number indicated in the Application submitted to the Bank;
3. The Merchant's Director will be able to view the website's TPAY integration parameters;

4. The Merchant's Administrator will manage access levels to the Merchant's management panel on the TPAY portal;

TPAY payment service terms for an interpersonal service provider (the Merchant):

1. TPAY portal Administrator rights and admission parameters will be assigned to the Merchant's Director and access rights will be activated on the Director's telephone number indicated in the Application submitted to the Bank;
2. The Merchant's Administrator will be able to manage access levels to the Merchant's management panel in the TPAY portal;
3. Payments will be accepted by the Merchant's Administrator and/or a person(s) delegated thereto by the Administrator;
4. The Merchant's Administrator in charge of a mobile terminal (printed QR codes and/or a mobile application) and/or a person(s) delegated thereto by the Administrator shall not hand over mobile terminal(s) to a third party/ies and/or allow third parties to use them;
5. If payments are accepted through a printed mobile terminal, the payment status must be received/checked on the telephone number of the Merchant's Administrator and/or of the person(s) delegated by the Merchant's Administrator by means of an SMS titled TBCSMS received on the mentioned telephone numbers and/or by means of the TPAY portal/ TPAY application.