

Standard Terms for Terminal Service

1. Definition of terms:

- Card - a bank plastic card issued by the relevant issuer.
- **Authorization** - a permit issued by the issuer and / or the card payment system to carry out a transaction with a card or its requisites.
- Issuer - a person who issues cards.
- **Terminal** - an electronic software-technical device used for payment using a card in trade / service facilities.
- **Card transaction** - a non-cash payment transaction using a card and through a terminal.
- Affiliate - an affiliate of the bank, Banking System Service Company LLC (a contractor responsible for terminal services).
- **Party / Parties** - "the bank" and / or "the client" according to the context;
- **Closing of the day (comparison of results)** - processing of transactions made through the terminal during the working day.
- **Transaction processing** - providing information about transactions made through the terminal to an "affiliate" during the business day.
 - Third Party (ies) - Any person who is not a party to the contract.
- **Transaction day** - the period, based on working hours of the bank branches and a service centre.
- Consumer - a natural person who uses the card.
- Service object (s) - the client object (s) specified in Annex N1 to the application (trade / service objects), where the client provides customer service.
- **Annex** - any additional Annex (s) signed by the Parties, which amends, modifies and / or terminates the Agreement and / or its terms and forms an integral part of the Agreement.
- Transaction - a combination of authorization and subsequent payment operations.
- **Legislation** - a set of current legal and subordinate legal normative acts of Georgia, as well as international treaties and agreements of Georgia included in the system of normative acts of Georgia.
- Application - a document signed by the client agreeing to these standard terms and conditions and terminal service tariffs.
- Agreement - these standard terms, application and any other annexes (including terminal service tariffs) collectively.

2. Subject of Agreement

2.1 The bank and the affiliate person shall provide the client's service facility (ies) specified in Annex N1 to the application with the terminals through which the client will offer the service to its customers, which means the payment of the cost of the sold services and / or goods by the card, as a result of which the received funds, in the form and conditions stipulated in the contract, will be transferred by the bank to the client's account.

3. Rights and obligations of the Parties

3.1 The Client shall be authorized to:

- 3.1.1.** Require from the bank to duly fulfil its obligations under the agreement;
- 3.1.2.** Terminate the agreement on the basis of a written notice for gross breach of the obligations under the agreement by the bank, in accordance with the terms of the agreement.

3.2 The Client shall be obliged to:

- 3.2.1. To receive terminals from a bank and / or an affiliate person;
- 3.2.2. Require card authorization only in the national currency;
- 3.2.3. Place advertising and informational materials received from the bank and / or the affiliated person on the use of the bank cards in the service facility (s) in the places agreed with them;
- 3.2.4. Not to transfer information about card transactions to a third party and not to allow them to use the data without a prior agreement with Credo, except in the cases provided by the legislation of Georgia. In the case of violation of this requirement, the Client is obliged to reimburse the direct or indirect loss incurred by the bank.
- 3.2.5. Use the terminals and related materials received from the bank and / or the affiliate person for the purposes of this Agreement only and for the purpose of preventing the loss / damage. In the case of loss / damage of the terminal due to the fault of the client, pay the penalty to the bank in the full amount of the value of each lost / damaged terminal, within 10 (ten) working days after drawing up the protocol on the fact of loss / damage;
- 3.2.6. In the case of early termination of this Agreement or expiry of the Agreement, return the transferred terminals to the bank and / or the affiliated person within 10 (ten) working days after the termination or expiry of the Agreement. In the case of non-compliance with this requirement, the client is obliged to pay the full cost of the terminals to be returned to the bank within 10 (ten) calendar days after the expiry of the deadline specified in this paragraph;
- 3.2.7. Notify the bank in advance, within a reasonable time, of any existing and / or expected changes that are relevant to the fulfilment of the Agreement objectives, the rights of the parties and their obligations;
- 3.2.8. In the case of closure of the service facility (s) (shopping centre), immediately inform the bank and return the terminal (s) located in the service facility (s), otherwise the client is obliged to pay a fine to the bank in the amount of three times the value of the terminal.
- 3.2.9. Except for reasons caused by technical delays, not to refuse to customers the card payment. In the case the client violates the condition provided for in this article, the bank is entitled to charge, and the client is obliged to pay to the bank a fine in the amount of 300 (three hundred) GEL. The bank may exercise this right solely at its discretion and it is not an obligation of the bank;
- 3.2.10 To keep the electronic receipts for a period of 6 (six) months and submit them to the bank within 2 (two) working days after the written request;
- 3.2.11 Carry out transactions in accordance with the conditions set out in the annexes and instructions attached to the agreement;
- 3.2.12 Not request the reconsideration of the commission within 12 (twelve) months after the signing of the agreement.
- 3.2.13 Pay the commission fee to the bank in accordance with the conditions (if any) set out in Annex N1 .
- 3.2.14 In the case of the existence of the case under paragraph 3.3.3 of these standard conditions, immediately comply with the request of the bank.
- 3.2.15 The client declares that he/she is aware of and agrees with the following: It will not increase the cost of services and / or goods for sale because any card holder wishes to use the terminal as a means of payment for services and / or goods.
- 3.2.16 To close the previous day and process the previous day's transaction no later than 9:00 a.m of each subsequent day.
- 3.2.17 The client is obliged not to withdraw the money with the plastic card defined in Article 1 of the Standard Terms, also, while fulfilling the conditions stipulated in this agreement, it is obliged not to carry out non-commodity transactions, cash withdrawals, transfer of any amount of money to the customer instead of services and / or items.
- 3.2.18 The Client is obliged to immediately comply with the request of the bank under paragraph 3.3.4. .

3.3 The bank shall be authorized to:

- 3.3.1 Require from the client to duly fulfil its obligations under the agreement;
- 3.3.2 In the case of early termination of the agreement by the client within one year, if he / she does not notify the bank in writing 30 calendar days before the termination of the agreement, (except for termination of the agreement due to gross breach of the obligations under this agreement by the bank), the bank is entitled to charge, and the client is obliged to compensate the bank for the damage. The bank may exercise this right solely at its discretion and it is not an obligation of the bank;
- 3.3.3 If after fulfilment of the specific performance of the obligation under paragraph 3.4.2 of the bank's standard conditions, it turns out that there was a breach of the obligations by the client under paragraph 3.2.17 of the standard conditions , the bank is entitled to demand the immediate refund of this particular amount paid.

3.4. The bank shall be obliged to:

- 3.4.1 Hand over the terminals to the client;
- 3.4.2 Based on the received information (only in the case of complete fulfilment of the obligations provided for in paragraph 3.2.15.) transfer the amounts of card transactions to the client's account specified in the agreement within 5 (five) working days after the transaction, in accordance with the conditions set out in Annex N1 to the Standard Conditions.
- 3.4.3 Arrange card service points, install terminals and carry out the necessary testing in the areas agreed with the client by himself/herself and/or through an affiliated person;
- 3.4.4 To supply the client by himself/herself and / or through an affiliate person with terminals and materials necessary for their operation;
- 3.4.5 Teach the client's employees the card payment rules and check the correctness of their work;
- 3.4.6 directly and / or through an affiliate, ensure the uninterrupted authorization for 24 (twenty-four) hours, both on working days and holidays;
- 3.4.7 Provide technical assistance to the client in the case of malfunction of the terminals;
- 3.4.8 Notify the client in advance, within a reasonable time, of any existing and / or expected changes that are relevant to the fulfilment of the Agreement objectives, the rights of the parties and their obligations.

4. Commission fees for rendered services

- 4. 1. The amount of the terminal usage commission fee to be received from the client by the bank, the payment method for each card transaction, as well as the discount amount for each purchased item (if any) shall be determined in accordance with the rules and conditions specified in Annex N1.

5. Responsibility

- 5.1 In the case of non-fulfilment or improper fulfilment of the obligations stipulated by the agreement, the parties shall be held responsible in accordance with the legislation and the terms and conditions provided for in this contract. Each party is obliged to compensate the other party for direct or indirect damages caused by non-performance or improper performance of the obligation;
- 5.2 In the case of violation by the client of the condition provided for in paragraph 3.2.17 of the Standard Conditions, the Bank shall be exempt from fulfilling the obligations provided for in paragraphs 3.4.2. and 5.4.
- 5.3 The Bank shall not be liable for any dispute between the client and the cardholder.
- 5.4 In the case of violation by the client of the condition provided for in paragraph 3.2.17 of the Standard Conditions, the client is obliged to pay a fine to the bank in the amount of three times the amount of the transaction processed.
- 5.5 In the case of transfer of money to the customer in exchange for an item and / or service by the client, the Client is obliged to immediately pay the Bank three times the amount that has to be paid and / or has been paid to

the Client, also, is obliged to immediately return to the bank the cost of the item to be transferred and / or the services to be provided.

6. Validity period, termination of the contract

6.1 The agreement shall enter into force from the moment the client signs the application and is confirmed by the bank and shall be valid for a period of 1 (one) year.

6.2 If at least one month before the expiry of the agreement one of the parties fails to notify the other party of the extension of the contract, it will automatically be extended for the same period;

6.3 Early termination of the service and / or contract shall be allowed:

6.3.1 Based on the notice sent by the bank to the client at least 10 (ten) days in advance. However, the compliance with this deadline shall not be mandatory if the client violates any of the obligations under the contract.

6.3.2 Due to the expiry of the agreement term.

6.3.3 By written notice sent by the Client to the Bank at least 90 (ninety) calendar days in advance, in the event that the bank breaches any significant obligation under the agreement and such breach is not remedied within 10 (ten) business days of receiving the relevant notice from Credo.

6.3.4 In the case of force majeure circumstances provided for in the contract for more than 45 (forty five) calendar days;

6.3.5 On the basis of the agreement of the Parties.

7. Force-majeure

7.1 The parties shall be released from the responsibility for non-performance or improper performance of the obligations under the agreement if it has been established that the non-performance or improper performance was caused by force - majeure (natural disaster, state of emergency or war, civil unrest, strike, as well as the establishment of a normative or administrative restriction by the government that affects the performance of the obligation) Or by extraordinary, insurmountable, and unavoidable action under specific conditions;

7.2 The parties are obliged to immediately (within a reasonable time frame) notify each other in writing of the occurrence and termination of force majeure circumstances.

8. Communication between the Parties

8.1 Any formal communication between the parties must be in written and / or electronic form.

8.2 The notice shall be considered delivered on the day of its receipt by the addressee. The notification shall be deemed to have been received even if the notification is returned to the sender of the notification due to the absence of the recipient of the notification and / or the e-mail address and / or if the addressee refuses to receive the notification.

8.3 The parties shall communicate on the factual and e-mail addresses specified in the agreement. Each party is obliged to inform the other party about the change in the indicated address, otherwise the communication made by the party to the mentioned address shall be considered to be properly executed.

9. Confidentiality

9.1 The parties agree that any information under the agreement shall be confidential and its transfer to a third party in whole or in part shall not be allowed without the prior consent of the other party. However, this restriction shall not apply to information:

9.2. If directly in accordance with the terms of the contract, it can be transferred to a third party.

9.3. If it was known to the party prior to the conclusion of the contract, in full compliance with the requirements of the law.

9.4. The transfer to a third party is mandatory by law.

9.5. For the avoidance of doubt, the Bank is entitled, without the additional consent of the client:

9.6. Transfer any information about the Client to a third party if the transfer is necessary to protect the rights and legitimate interests of the Bank, to assign any type of claim against the client to a third party (including in the negotiation process with the said third party) and/or for the purpose of monitoring the fulfilment of obligations by the client.

10 Presentation and disputes

10.1. The parties must make any claim under the agreement to each other through one or more channels of communication specified in the agreement. The party receiving the claim is obliged to fully or partially grant the claim or to give a motivated refusal to grant it within 10 (ten) working days after its receipt.

10.2. Any dispute arising out of the agreement shall be settled by negotiation. In the event of a dispute, the parties shall refer to the court. However, the parties agree that the decision of the court of first instance in favour of the Bank in connection with the dispute will be immediately enforceable.

11. General terms

11.1. In the event of any direct inconsistency between this document and the conditions set out in its Annex, the conditions set out in the Annex shall prevail.

11.2. Obligations under the contract must be fulfilled by the client personally. The Client shall not be entitled to transfer the rights and obligations in full or in part to a third party without the prior consent of the bank, however, this restriction does not preclude the bank from authorizing any third party to perform any performance (both past due and overdue).

11.3. If any of the terms of the contract, in accordance with the law, cannot be extended to the client due to his/her status, this will not lead to the complete invalidity of the agreement, and the client will be subject only to the terms which, depending on his/her status, may apply to him/her.

11.4. All matters not regulated by the contract shall be regulated by law.

Annex N1 to Standard Terms and Conditions

1. The Bank is obliged to transfer to the Client the amount of each transaction made with the card and / or the value of the item, excluding the fee (s) specified in this Agreement.
2. In the case of violation, to stop and reserve the amount to be credited to the client in order to compensate for the expected fine and / or loss; If the amount does not cover the debt to the bank, the bank is entitled to write off the amount from any account of the client, to which the client agrees in advance, in case of writing off amounts in different currencies, the equivalent shall be determined at the exchange rate set by the bank. In the case of insufficient amount on the account, the bank shall notify the client in writing about the debt.
3. By agreement of the parties, the amount of commission that the client will pay to the bank for each card transaction is:
 - 1.5% of the amount of each transaction for card transactions with any card of the Bank.
 - For Visa Electron / Visa, MasterCard / Maestro card transaction of the partner commercial bank account comprises 1.6% of the amount registered after each transaction.
 - For Visa Electron / Visa, MasterCard / Maestro card transaction of the non-partner commercial bank account in Georgia comprises 1.7% of the amount registered after each transaction.
 - For Visa Electron / Visa, MasterCard / Maestro card transaction of the foreign commercial bank account comprises 1.7% of the amount registered after each transaction.

4. By agreement of the parties, the terminal service fee is:

- In the first 6 (six) months after signing the agreement, it comprises 0 GEL.
- After the expiry of 6 (six) months, in the case the monthly turnover of the client is less than 3000 (three thousand) GEL, the bank shall have the right to solely change the service commission fees specified in the agreement without additional agreement with the client. Information on changes in the amount of commission (service tariffs) 1 (one) month before the changes take effect shall be personally notified to the client via SMS, e-mail and / or courier service. However, if any change in the terms of the agreement improves the condition of the client, the bank shall be released from the obligation to notify.
- The commission shall be deducted from any type of customer account, which the client agrees to.

Annex N2 to Standard Terms and Conditions

Preparation of the terminal for the work process

Before the start of the business day, it is advisable to restart the terminal to prepare it for the next business day.

The terminal restart process includes the following steps:

- Disconnect the terminal from the power supply
- Press the red button for a few seconds without lifting a finger until the terminal is off
- Connect the power supply to the terminal, after which the terminal will turn on automatically. If the terminal does not turn on automatically, press the green button for a few seconds without lifting your finger until the terminal turns on.

The POS-terminal has a department where the receipt paper is placed. If the POS-terminal starts printing the receipt with the red stripes, i.e the paper will be finished soon and must be replaced.

Payment with card

Card operations can be performed using both a chip and a magnetic stripe. When paying by the card (if the card is without a chip) the magnetic stripe of the card should be directed to the lower left side.

After the transaction is completed, a receipt shall be printed on the terminal.

Note that two receipts are printed only after a successful transaction or reversal (cancellation of a successful transaction). In the case of unsuccessful (rejected) transaction, only one receipt is printed.

Successful transaction receipts shall indicate 000 in the RESPONS CODE.

The cash desk operator must observe this code and only then hand over the purchased item to the customer.

All other code is a rejection code and the customer will not be deducted money from the card.

The following rejection codes are most common:

Code:	Meaning
000	Successful authorization
100	Rejection! Without indication the reason.
101, 201	Rejection! The card is invalid.
106.206	Rejection! The card is blocked due to incorrect typing of the pin for three times
110	Rejection! Wrong amount
116	Rejection! The customer does not have enough money on the card
117	Rejection! PIN Code incorrect
119	Rejection! Transactions are not allowed for customers
120	Rejection! The card is registered on the wrong terminal
121	Rejection! Customer exceeds 24 hour cash limit. And if the transaction amount is less than \$ 1500, i.e. it is registered at a terminal where we have no service.
128	Rejection! Technical flaw
208	Rejection! The card is blocked with lost status
400	Rejection! The money was reversed and returned to the card
909.910, 911	Rejection! System flaw

The terminal, each day, at the time specified by the facility, automatically closes the day and reports the transactions completely. The closing receipt of the day shows all completed and reversed transactions, corresponding amounts. Operations after the close of the day will be included in the closing process of the next day and will be processed along with the transactions of the next day.

Security measures during the card service

The card shall be used only by the rightful holder.

Illegal actions carried out with a card shall mean the use of another person's card.

When using a card during the operation, pay attention to the expiry date of the card and make sure that the card is not damaged.

With POS-terminal it is possible to service the cards issued by the bank as well as Visa Electron / Visa, MasterCard / Maestro international payment card services.

Only the month and year shall be indicated in the validity period of the card. The card is valid until the end of the month.

After printing the check from the terminal, make sure that the card number printed on the check matches the card number (embossed) on the card (first 6 digits and last 4 digits).

In the case of any doubt about the card or the cardholder, or if the number embossed on the card does not match the number printed on the check, the client is entitled to request the cardholder's identity document. Contact the bank immediately and follow its next instructions.

The check for each completed transaction must be kept by the facility for 6 calendar months.