

FXSS: Terms of Service

Contents

Definitions 2

Document Goals 2

Description of the System 2

System Integration, Integration Criteria and Submission of the System Integration Form..... 3

System Integration Period, Payment and Payment Terms 3

Obligations of the Parties 3

Responsibilities of the Parties 4

Representations and Warranties 4

Communication between the Parties 5

Confidentiality 5

Claims and Disputes 5

System Integration Form..... 6

Definitions

System Operator/Bank - TBC Bank JSC;

System Terms/Terms of Service – Rules and Terms & Conditions set out in this document;

System – foreign currency-denominated securities settlement system aimed to conduct clearing and settlement operations based on settlement orders received via GSSS and corporate actions.

Legislation – effective legislative and subordinate normative acts of Georgia and international treaties included in the normative acts of Georgia;

Third Party – any individual(s), legal entity(ies) and/or organizational unit(s) other than a legal entity under the Georgian or foreign legislation, except for the System Operator and the System Participant;

Business Day – a day other than any Saturday, any Sunday or any day officially declared as a public holiday;

Agreement/Amendments – any agreement and/or annex as well as any amendments/additions thereto made between the System Operator and the System Participant within the scope of relationship envisaged by the aforementioned document;

System Participant/Settlement Bank – a bank integrated into the System under this document;

System Operator's Servicing Bank – a legal entity that provide a System Participant with a payment account for settlement purposes;

System Integration Form – An application form filled out by an interested party for System integration;

Interested Party – a party who is willing to become a System Participant and has submitted to the System Operator a relevant application form for this purpose;

Confidential Information – any information, irrespective of its form (including physical and electronic), related to the Party and/or any person having business relations with the Party (including technical and financial data, commercial terms & conditions, analytical materials, documents, agreements, internal guidelines, policy documents, etc.) that is not public and the disclosure of which may be harmful to the Party;

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

Special Account – nominal holding account;

Loro Account – a correspondent account;

National Currency – the national currency of Georgia;

Foreign Currency – the United States dollar (USD)

FXSS – Foreign Currency Settlement System

GSSS – Georgian Securities Settlement System

GCSD – Georgian Central Securities Depository

NBG – National Bank of Georgia

RTGS – Real-Time Gross Settlement

SWIFT – Society for Worldwide Financial Telecommunication

DvP (Delivery versus Payment) – the principle of simultaneous execution of securities transactions and the related cash payments

Document Goals

This document aims to provide a brief overview of FXSS, as well as set out the terms & conditions and rules that are binding on FXSS Participants and the System Operator.

Description of the System

FXSS is a foreign currency-denominated securities settlement system aimed to conduct clearing and settlement operations based on settlement orders received via GSSS and corporate actions.

FXSS allows conducting the following operations:

- IPO (auction/sale) settlement
- FPO (follow-on public offering) settlement
- REPO cash flow
- Securities pledge cash flow

Settlement on corporate actions:

- Payment of coupon;
- Payment of dividends;
- Stock buyback;
- Other corporate actions.

FXSS receives from GSSS settlement orders in the form of notifications, based on which automatic settlement is performed in the System Operator's core banking system between the settlement banks' special accounts and/or GCSD technical account. The success/failure status is automatically

transmitted to GSSS. If the settlement is completed successfully, the System Operator sends the settlement banks(s) a MT900/MT910 notification via SWIFT.

Information is exchanged between GSSS and FXSS based on MT notifications.

GSSS operating hours:

From 9:40 to 18:40.

FXSS simultaneously responds to (starts the processing of) a settlement order sent to FXSS once a transaction is generated in GSSS;

The cutoff time for generating transactions (FX cutoff) in GSSS is 17:00 of any business day;

The settlement order response cutoff time (DvP cutoff) in FXSS is 18:00 of any business day.

After 17:00 (FX cutoff) of a business day, FXSS will not accept orders sent by GSSS.

The system does not operate on weekends and holidays established by the Georgian law.

FXSS System Participants are GCSD and commercial banks that are RTGS system participants.

The Bank is the FXSS System Owner and Operator.

System Integration, Integration Criteria and Submission of the System Integration Form

- A System Participant can be any commercial bank licensed by NBG.
- TBC Bank JSC is the servicing bank of the System Operator.
- GSSS Participants, being Settlement Banks, must have a GEL Loro account with TBC Bank JSC.
- System Participants will be provided with a foreign currency account for foreign currency-denominated securities settlement.
- Integration of a Settlement Bank shall only be possible after notifying NBG and GCSD in advance using the communication methods envisaged in this Agreement.

If an Interested Party accepts all the FXSS terms and conditions and satisfies all the criteria, it can send a completed System Integration Form from its official electronic mail address to the System Operator's electronic address settlements@tbcbank.com.ge.

Finally, the System Operator and the Interested Party will enter into an agreement and the Interested Party will join the System.

System Integration Period, Integration/Service Fee and Payment Terms

- A System Participant will integrate the System within 3 business days the latest after signing the Agreement;
- The System service fee for each special account is 50 GEL monthly;
- The System Operator will deduct the service fee at the end of each month from the System Participant's Loro account by direct debit, without the System Participant's further consent. If the balance in the System Participant's account is not sufficient, the service fee will be drawn from the Participant's any other account with the Servicing Bank except for the Special Account, while if the System Participant's money is in foreign currency, the System Operator will have the right to carry out conversion at the Bank's commercial rate on the payment date.

Obligations of the Parties

The System Operator is responsible for the well-functioning of FXSS, unhampered processing of received notifications and delivery of the processing status to FXSS and MT900/MT910 to the System Participant.

Only securities settlement operations will be performed on the Settlement Banks' special accounts via the System, for which the Settlement Banks will bear responsibility;

System Participants have the obligation and responsibility to ensure there is a sufficient available balance in their special accounts, which must be no less than the trade limit(s) allowed on the accounts in GSSS, in order to provide settlement on their customers' operations (including DvP/corporate actions).

Upon the System Operator's request, Settlement Banks shall provide the System Operator with information about their customer(s) and/or the latter's beneficial owner(s). Furthermore, Settlement Banks have the obligation and responsibility to obtain all relevant consents as per the applicable law.

System Participants shall bear responsibility for the nature and purpose of operations carried out on the respective special accounts.

Loro and special accounts are opened according to the procedure envisaged by the Georgian legislation and effective at the Bank.

System Participants are obliged to carry out relevant transactions based on MT900/MT910 sent by the System Operator.

System Participants shall fully deliver to the customers the information provided in MT900/MT910 received during the transfer transaction between the special accounts / the depositing of funds into the special account.

The System Operator shall indicate the CSD reference number in all MT notifications on wire transfers received from GSSS.

FXSS System Participants shall transfer to their customers the CSD reference number indicated in the FXSS notification without any modifications.

Responsibilities of the Parties

If the balance in the System Participant's Loro account is not sufficient or available to pay the System service fee, the System Operator may impose on the System Participant a one-time penalty equal to 1 (one) % of the amount due as well as a daily penalty equal to 0.5 (zero point five) % of the total amount due for each day of delay (whether full or incomplete) until all relevant liabilities are duly and completely satisfied.

The System Operator has the right to require the System Participant to compensate for the damages caused by the System Participant's breach of any of its obligations, including, without any doubt, any third-party liability.

The System Operator is released from the responsibility to pay a penalty/the damages if a System disruption and/or error is caused by reasons not related to the System Operator and/or its sub-contractors (if there are any).

The payment of a penalty does not release the Parties from the responsibility to duly satisfy their respective obligation(s) and/or remedy a breach and/or pay for the damages.

Representations and Warranties

A System Participant:

- Is a solvent party that is not involved in insolvency (whether bankruptcy or rehabilitation) proceedings and/or liquidation/winding up and/or no other circumstance is present that may prevent the System Participant's compliance with/satisfaction of these Terms of Service.
- Its activities comply with all requirements under environmental, healthcare, safety and labour regulations and normative acts and these requirements will be satisfied at all stages of contractual relations.
- Respects human rights and freedoms as absolute and fundamental values, conducts its business by respecting these values and complies with the basic principles of labour law in its daily business, discouraging forced labour and denouncing discrimination.
- Conducts its activities and business relations in good faith and lawfully, in compliance with high ethical standards, has zero tolerance towards corruption, bribery, tax fraud, tax evasion and any other criminal acts and exercises permanent control against them.
- If any of the Parties has access to personal data while carrying out a transaction via the System, the other Party shall process the data solely to the extent required for a particular purpose within the System and in compliance with the applicable law. Third party transfer of personal data and personal data processing beyond necessity are prohibited. Privacy obligation applies to personal data irrespective of the source from which the Party obtained the data. The Party shall compensate for all the damages caused to the other Party through personal data processing regardless of the form of data processing used and the extent of the damage caused, including administrative liabilities incurred.
- At any time before the execution of this Agreement or during the validity period hereof, the System Participant itself, its shareholders, its management, or the members of its executive/supervisory body, as well as its beneficial owner(s) and/or the persons affiliated therewith (including, for the purposes of this paragraph, any person that, according to the Bank's assessment and, inter alia, with regard to the purpose of the sanction(s), may have an influence on the party/person in question, or his/her/its decision(s) by way of close business, personal or other connections, and/or directly or indirectly hold and/or control that person):
 - ✓ are/will not be included in the list of the sanctioned persons (hereinafter the List of the Sanctioned Persons) by the United Nations (UN) and/or the European Union and/or the United Kingdom and/or the USA and/or Georgia and/or any other state and/or international organization (hereinafter jointly and individually referred to as the Authorized Person(s)), and/or is not/will not be subjected to a sanction (for the purposes of this paragraph, a sanction inter alia includes restriction, policy, prohibition, or other requirements set by the Authorized Persons).
 - ✓ Are not/will not be residents of a state subjected to the Authorized Person(s) comprehensive trade sanctions/restrictions.
 - ✓ Have not / will not enter into any deal (inter alia, will not facilitate execution of a deal), whether directly or indirectly, including through third party mediation, with any person and/or association that is/will be included in the List of Sanctioned Persons and/or is subjected to a sanction or is a resident of a state and/or operates on the territory subjected to comprehensive trade sanctions/restrictions.
 - ✓ If the aforementioned statement/representation is found untrue and the System Participant's activity qualifies as a breach/evasion of sanction and/or according to the Bank's assessment, the aforementioned fact exposes the System Participant's, its shareholders, its management, or the members of its executive/supervisory body, as well as its beneficial owner(s) and/or person(s) affiliated therewith to a sanction risk or has resulted in sanctioning any of the aforementioned persons, along with actions stipulated herein, the Bank will be authorized to act pursuant to the sanctions imposed by the Authorized Person(s) indicated in Paragraph 8.1.1.1 hereof and take any and all measures set and/or required by the Authorized Person(s) and/or Entities/Bodies, inter alia, prevent the System Participant from using/disposing of and managing any funds/assets.

Termination of System Integration

Termination of a settlement bank's participation in the System is possible only after notifying NBG and GCSD in advance using communication methods envisaged herein.

A System Participant is entitled to unilaterally terminate system integration, as well as any agreement(s) made with the System Operator within the scope of System Services based on a relevant notification sent to the System Operator no less than 30 calendar days in advance. The System Participant, as well as the System Operator, is obliged to notify GCSD thereon immediately.

The System Operator is entitled to unilaterally terminate the System Participant's access to the System:

- If the System Participant violates these Terms of Service and/or any terms of the Agreement and the breach is not remedied within 2 (two) weeks of receiving the System Operator's warning letter;
- If the System Operator loses its right to operate on any grounds whatsoever and/or surrenders the rights of a System Operator on its own initiative / in agreement with GCSD, about which it shall inform the System Participant (by sending a notification) no less than 5 (five) calendar days in advance (except for the events when immediate termination is envisaged hereunder);
- Immediately, if a relevant agreement between the System Operator and GCSD is cancelled/revoked by any reason and in any form;
- If liquidation proceedings start against the System Participant, which prevents/interferes with System Participation (which means restriction and not cancellation of System Participation/integration);
- On the following business day if the System Participants breaches the representations and warranties set out in these Terms of Service;
- The System Operator loses the right to exercise its authority hereunder;
- NBG and GCSD must be notified via communication email no later than the following day after communication with the client.

Communication between the Parties

Official communication between the Parties shall be in writing. Any correspondence addressed to either of the Parties shall be delivered to the addressee in person or by courier (including an international courier) or by post (including as an insured letter). To expedite the processes and considering the provisions set out below, the Parties may correspond by email or any other means of electronic communication, provided, upon request, the addressee is presented with a physical copy of correspondence within a reasonable period of time.

The System Operator will notify the System Participant, NBG and GCSD about the scheduled total or partial update of the System during which the System may not be available no later than 2 (days) in advance.

System-related communication shall be conducted from/to the System Operator's email settlements@tcbank.com.ge.

A notification shall be deemed delivered on the day the addressee receives it, provided the addressee confirms receipt (including by means of an electronic document, a receipt, any other means of communication, etc.). If the addressee does not confirm receipt, the latter shall be deemed duly sent and delivered on the day following the day on which it was sent.

A notification shall be likewise deemed received/delivered if it is returned to the sender because the addressee's location does not exist or the addressee has refused to accept or evaded the notification and/or the email address provided to the other party has been cancelled.

A notification shall also be deemed accepted/delivered if sent and delivered in any manner and by any means envisaged by the legislation.

Confidentiality

Unless otherwise envisaged by the Agreement, the Parties shall keep confidential any information received from the other Party during the validity term of the Agreement as well as after the completion of the contractual relations. Furthermore, the Parties undertake to process any information/data obtained within the scope of the agreement for purposes envisaged by the FXSS Terms of Service only.

Claims and Disputes

The Parties are entitled to make claims and complaints to each other first, which must be done in writing and/or orally. The Party who receives a complaint/claim from the other Party shall either fully or partially satisfy it within 15 (fifteen) calendar days of receipt or deliver the other Party a justified response regarding the complaint/claim likewise in writing and/or orally within the same term.

This document and the related agreements have been composed and must be construed in compliance with the legislation of Georgia. In case of a disagreement, the Parties shall submit the dispute to the common courts of Georgia, which will adjudicate the dispute in accordance with the legislation of Georgia.

System Integration Form

Full name of commercial bank	
ID no	
S.W.I.F.T. code	
Place of registration	
Correspondence address	
Banking License no. issued by NBG	
Authorized person's name/surname and personal ID no	
Contact Person's mobile phone no.	
Email address	

Signature of the Authorized Representative:-----

Date: -----