

TBC Bank JSC proposes the following amendments/additions to the Key Terms of the POS Terminal Agreement (hereinafter referred to as “the Key Terms of the Agreement”) and the General Provisions of the POS Terminal Agreement (hereinafter the “General Provisions”) in line with Paragraph 1.3 of the Key Terms of the POS Terminal Agreement published on the Bank’s website <https://www.tbcbank.ge/web/en/web/guest/card-payments>

1. Paragraph 1.1 of the Agreement shall be revised to read as follows:

„1.1 The Merchant (an entrepreneur/ individual taxpayer and/or a legal entity/ organizational entity) will accept cashless payments for goods/services made with international cards of Visa, Mastercard/Maestro and China UnionPay (hereinafter jointly and individually referred to as International Payment Systems) through TBC Bank JSC’s (ID: 204854595, hereinafter “the Bank”/ “TBC Bank”) POS terminals (hereinafter the “Payment Terminal(s)”/ “POS Terminal(s)”) as payment tools.”

2. Paragraph 1.3 of the Agreement shall be revised to read as follows:

„1.3 The Bank is authorized to make amendments/additions to the provisions/tariffs/payments envisaged in the Agreement and/or in any annex and/or any application and/or published on the Bank website <https://www.tbcbank.ge/web/en/web/guest/pos-terminals> (hereinafter referred to as the Bank Website) either by displaying relevant information on the Bank website or sending a relevant notification to the Merchant 1 (one) month before effecting the amendments/additions. At any time within 1 (one) month from the publication of the information on the Bank website or from receiving the Bank’s notification on amendments/additions, the Merchant can refuse to receive the service under the Agreement by sending a written notification to the Bank. In the case of exercising (using) the right hereunder, within 5 (five) calendar days from the delivery of the written notification on the termination of the service hereunder to the Bank, the Merchant shall pay the Bank all service fees and other payments/charges. 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/tariffs/payments shall be deemed amended as proposed. The Bank can effect amendments/additions that do not deteriorate the Merchant’s position immediately after publication on the website/delivery of the notification to the Merchant.“

3. Paragraph 1.3.1 of the Key Terms shall be removed.

4. Paragraph 1.11 shall be added to the Key Terms of the Agreement to read as follows:

„1.11 This Agreement is an integral part of the Agreement on Banking Transactions signed between the Bank and the Merchant/confirmed by the Merchant meaning that the provisions of the Agreement on Banking Transactions fully apply to this Agreement.“

5. Paragraph 1.1 of article one of the General Provisions shall be revised to read as follows:

„1.1 The use/definition of terms and rules provided in General Provisions/ the Application/ on the Bank website are compliant with the rules of international payment systems.“

6. The definition of the term “Card” under paragraph 1.1.1 of article one of the General Provisions shall be revised to read as follows:

„Card – international payment cards of international payment systems.“

7. The definition of the term “Authorization” under paragraph 1.1.1 of article one of the General Provisions shall be revised to read as follows:

„Authorization – for the purposes of this Agreement: a procedure whereby a payment transaction is approved/declined, the validity of the payment card and the availability of the necessary amount are checked (confirmed) and an authorization hold is placed on the charged amount.“

8. The definition of the term “Chargeback” under paragraph 1.1.1 of article one of the General Provisions shall be revised to read as follows:

„Chargeback - according to the rules of the international payment systems and the Georgian law, a procedure whereby a card issuer or holder files a claim against a transaction and demands full or partial reversal from the acquirer (a bank that processes payments on behalf of the Merchant).“

9. The definition of the term “Chargeback Document” under paragraph 1.1.1 of article one of the General Provisions shall be revised to read as follows:

„Chargeback Document - according to the rules of international payment systems, a document or information supporting the process of chargeback (such as a sales slip, customer data, additional description of the transaction, the Merchant’s invoice/account, any respective statement/document, the Merchant’s letter, etc).“

10. The definition of the term “Exclusive Condition” under paragraph 1.1.2 of article one of the General Provisions shall be revised to read as follows:

„Exclusive Condition - during the term of the Agreement, the Merchant shall only use TBC Bank POS Terminals for international payment systems cards. Otherwise, if this Exclusive Condition is breached, the Merchant shall incur a penalty equal to three times the total value of transactions performed in the previous month (at least 5 000 (five thousand) GEL).“

11. The term “Pre-authorization ” shall be added to paragraph 1.1.2 of article one of the General Provisions to read as follows:

„Pre-authorization – a temporary hold placed on the transaction amount until full or partial capture or abortion of the transaction by the Merchant. Unless the Merchant finalizes the transaction and captures the amount within 30 (thirty) days of pre-authorization, the hold will expire.“

12. Paragraph 2.1.1.2 of article 2 of the General Provisions shall be revised to read as follows:

„2.1.1.2 Ensure settlement on payment transactions made with cards of the international payment systems via POS terminals (within the terms under the Georgian law) after the obligations stipulated in this Agreement (Key Terms and/or General Provisions hereof) and in the Application and/or published on the Bank Website have been completely and appropriately fulfilled and the Batch has been submitted; ensure the transfer/settlement of the transaction amount to the Merchant’s account in compliance with the terms and conditions of the Agreement/ no later than the business day following the date of transaction.“

13. Paragraph 2.1.2.3 of article 2 of the General Provisions shall be revised to read as follows:

„2.1.2.3 If a breach occurs, place a hold / a reserve on the funds payable to the Merchant for the purpose of a chargeback, penalty and/or compensation for loss (i.e. withhold respective funds available in the Merchant’s account(s) for a period of time envisaged by international payment systems regulations).“

14. Paragraph 2.1.2.5 of article 2 of the General Provisions shall be revised to read as follows:

„2.1.2.5 Not settle the Merchant’s transaction proceeds acquired via POS Terminal based on a Batch received 7 (seven) days after the transaction, and 30 (thirty) calendar days after pre-authorization.“

15. Paragraph 2.1.2.9 of article 2 of the General Provisions shall be revised to read as follows:

„2.1.2.9 If a Chargeback has been filed, draw/deduct the corresponding amount from the Merchant’s account(s) until the Chargeback process is over, pursuant to the rules of international payment systems. If the corresponding amount has not been drawn/deducted from the Merchant’s account(s) before the completion of the Chargeback and the Chargeback is not successful, the Merchant shall compensate the Bank for the loss due to the dispute.“

16. Paragraph 2.1.2.11 of article 2 of the General Provisions shall be revised to read as follows:

„2.1.2.11 When a Chargeback has been filed, as well as when the Bank finds a deal suspicious and/or qualifies it as illegal, the Bank has the right to require (and if so, the Merchant shall submit to the Bank) all relevant information / documents / details of the card transaction in question / reservation document / the POS terminal receipt (evidence of the transaction) / invoice, etc. related to the Merchant and the deal. Furthermore, in cases hereunder, the Bank may require the Client’s personal information: name, surname, personal ID number, a copy of the ID document(s), the Client’s contact details. The Bank will share the data only via the protected channels of international payment systems.“

17. Paragraph 2.1.2.12 of article 2 of the General Provisions shall be revised to read as follows:

„2.1.2.12 If within one calendar month the total amount of chargebacks reaches 1% of the total amount of deals, or the number and/or amount of transactions grows sharply, suspend settlement to the Merchant’s account(s) and provision of card services to the Merchant temporarily until the cause is identified (checked).“

18. Paragraph 2.1.2.15 of article 2 of the General Provisions shall be revised to read as follows:

„2.1.2.15 Forthwith suspend the service rendered to the Merchant and/or the process of settlement if there are material circumstances that may cause reputational damage to the payment network of the international payment systems.“

19. Paragraph 2.1.2.18 of article 2 of the General Provisions shall be revised to read as follows:

„2.1.2.18 Notify the Merchant of the fraudulent transaction no later than the business day following the date of receipt of the card issuer’s notification and/or of information about the chargeback.“

20. Paragraph 2.1.2.21 shall be added to article 2 of the General Provisions to read as follows:

„2.1.2.21 If the transaction amount is captured 30 (thirty) calendar days after pre-authorization, deduct by direct debit (without the Merchant’s further consent) the transaction amount on which capture was delayed.“

21. The first paragraph of paragraph 2.2.1.1 of article 2 of the General Provisions shall be revised to read as follows:

„Comply with the international payment systems’ card processing rules.“

22. Paragraph 2.2.1.2 of article 2 of the General Provisions shall be revised to read as follows:

„2.2.1.2 Service international payment systems cards by observing strictly the rules under this Agreement.“

23. Paragraph 2.2.1.16 of article 2 of the General Provisions shall be revised to read as follows:

„2.2.1.16 Inform the Bank regarding his/her/its engagement with a third party (whether a subsidiary or an affiliate) that will have access to payment card data. These persons shall comply with international payment systems security standards, while the Merchant shall bear full responsibility if the provision herein is violated.“

24. Paragraph 2.2.1.17 of article 2 of the General Provisions shall be revised to read as follows:

„2.2.1.17 Fully satisfy the requirements listed below if the Merchant outsources (uses third party services for) card data processing:

- The Merchant ensures the contracting third party’s compliance with international payment systems security standards;
- The Merchant declares that he/she/it is fully aware of PCI DSS (Payment Card Industry Data Security Standard) of international payment systems and undertakes to adhere thereto.“

25. Paragraph 2.2.1.18 of article 2 of the General Provisions shall be revised to read as follows:

„2.2.1.18 In the event of a chargeback, fully refund the amount claimed by international payment systems before the chargeback process is over.“

26. Paragraph 2.3 (with paragraphs 2.3.1 – 2.3.1.5) shall be added to article 2 of the General Provisions to read as follows:

„2.3. The Merchant represents and warrants that:

2.3.1. Anytime before the execution of this Agreement and/or during the validity period hereof, the Merchant, its founders, members of the management or executive/supervisory body, also the Merchant’s 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 person in question, or his/her/its decision(s), and/or directly or indirectly hold and/or control that person by way of close business, personal or other connections:

2.3.1.1. 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 (United Kingdom of Great Britain and Northern Ireland) 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).

2.3.1.2. Are not/will not be residents of a state subjected to the Authorized Person(s) comprehensive trade sanctions/restrictions.

2.3.1.3. Has not entered/ will not enter into any deal (including, has not/will not support the signing 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 Sanction List/is subjected to a sanction and/or is a resident of a state and/or operates on the territory subjected to comprehensive trade sanctions/restrictions.

2.3.1.4. Has not entered/ will not enter into any deal (including, has not/will not support the signing of a deal), whether directly or indirectly, including through third party mediation, with regard to the party/property/asset/goods/services subjected to comprehensive and/or targeted and/or sectoral sanctions/restrictions.

2.3.1.5 If the statement/representation made pursuant to Paragraph 2.3 is found untrue and the Merchant's activity qualifies as a breach/evasion of sanction and/or according to the Bank's assessment, the aforementioned fact exposes the Merchant and/or person(s) affiliated with the Merchant to a sanction risk and/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) mentioned in Paragraph 2.3.1.1 hereof and take any and all measures set and/or required by the Authorized Person(s) and/or Entities/Bodies, inter alia, prevent the Merchant from using/disposing of and managing any funds/assets.“

27. Paragraph 6.1 of article 6 of the General Provisions shall be revised to read as follows:

„6.1 Unless otherwise envisaged by the law of Georgia, each Party undertakes not to disclose to a third party/ies, without the other Party's written consent, any information that directly or indirectly relates to the Agreement and is confidential; This obligation is valid even after the termination of the contractual relations.“

28. Paragraph 7.2 of article 7 of the General Provisions shall be revised to read as follows:

„7.2 The Merchant may terminate any or all services envisaged herein and give the Bank 1 (one) month advance notice in writing (by submitting a relevant application in a Bank branch or a service centre) or via internet banking (by sending the Bank a relevant notification) or via email (to: smepayments@tbcbank.com.ge, corppayments@tbcbank.com.ge) or by contacting the Bank's Call Centre (+99532 2272727). In this case, the Merchant shall pay the Bank all fees and other charges related to the service in question within 5 (five) calendar days from applying for service termination (notifying the Bank thereof).“

29. Paragraph 7.3 of article 7 of the General Provisions shall be revised to read as follows:

„7.3 The Bank may terminate the Agreement at any time by giving the Merchant 1 (one) month notice of termination.“