

## **Key Terms and Conditions of the E-Commerce Agreement (hereinafter referred to as “Key Terms”)**

- 1.1 The Merchant (an entrepreneur/ individual taxpayer and/or a legal entity/ organizational entity) will accept payments for goods/services made with Visa and MC cards through TBC E-commerce and/or TPAY QR and/or GEOPAY as payment gateways;
- 1.2 The Bank will settle VISA and Mastercard transactions to the Merchant’s account, as envisaged herein;
- 1.3 Terms and conditions of the Agreement are additionally regulated by the Standard Terms and Conditions of the E-Commerce Agreement (hereinafter referred to as “Standard Terms” attached hereto) and relevant annexes to Key Terms and/or Standard Terms and/or to any application signed by the Merchant, whereby he/she/it accepts this Agreement (Key Terms and Standard Terms) (hereinafter referred to as the “Application”) and the annexes hereto that 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 has the right to make amendments/additions to the provisions envisaged in this Agreement and/or set forth in any annex and/or any application and/or published on the Bank’s website <https://www.tbcbank.ge/web/ka/web/guest/card-payments> (hereinafter referred to as the “Bank Website”) either by displaying relevant information on the Bank Website or sending a relevant notification to the Merchant 5 (five) calendar days before the amendments/additions become effective. In the event described in this Paragraph, at any time within 5 (five) calendar days of the publication of the information on the Bank Website or of receiving the Bank’s notification, the Merchant can fulfil 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 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 can effect amendments/additions that do not deteriorate the Merchant’s position as soon as they are published on the website.
  - 1.4.1 The Merchant shall be notified of changes in the tariffs/payments set by the Bank in a manner stipulated herein 1 (one) month before the changes are effected;
- 1.5 The Parties agree that if the Bank’s amendments/additions to any provision envisaged in the Agreement and/or in any annex and/or in any application and/or published on the Bank Website are 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 in this Agreement. Written notifications shall be delivered to the Party’s address last known to the other Party (the addresser). For notifications, the Bank can also use other communication channels (including, electronic, digital, telephone, etc.);
  - 1.6.1 The Parties agree that any electronic notification sent to the email address provided by the Merchant and indicated (a) in this Agreement and/or (b) in any document/application presented/submitted to the Bank/signed 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 email, its receipt/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 email address indicated in Sub-Paragraph 1.6.1 of this Agreement shall be deemed delivered if its receipt or delivery to the Party is confirmed by an extract from the respective equipment and or by a confirmation message received by means of the device;

- 1.6.3 A 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 to accept or evaded the notification;
- 1.6.4 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 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 law 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 268.1<sup>1</sup> 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 invalidation of any part hereof shall not result in the voidance and/or invalidation of the entire Agreement.

## Standard Terms and Conditions of the E-Commerce Agreement (hereinafter referred to as “Standard Terms”)

### 1. Definition of terms used in the Agreement

1.1 The use/definition of terms and rules provided in the Agreement are compliant with the rules of international payment systems (payment network processors) VISA International and Mastercard Worldwide:

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

“**Transaction**” – a payment operation involving authorization and settlement;

“**Card**” – an international payment card from VISA or Mastercard;

“**Cardholder**” (Client”) – a person using a payment card or a digital wallet under a relevant agreement concluded with the issuer;

“**Batch**” – multiple transactions performed within 24 hours, which an e-commerce gateway transmits to the processor;

“**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 acquiring bank (the Merchant’s bank);

“**Fee**” – a charge for contractual services paid by the Merchant to the Bank according to the rules envisaged in the Agreement and tariffs set out in the Application signed by the Merchant or published on the Bank Website;

“**Upfront Fee**” – an amount drawn by the Bank from the Merchant’s account(s) in advance;

“**Top-up Fee**” – an amount calculated as follows: the Merchant’s per-transaction service fees collected during an accounting month are summed up at the start of the following month. If the sum of the fees is less than the amount indicated in the Top-Up Fee box, the difference will be drawn by direct debit from any account of the Merchant in the month following the accounting month, to which the Merchant hereby agrees. The Parties agree that transaction fees accrued in the accounting month but debited in the following month are not assigned to the accounting month;

“**Deduction**” – drawing funds from the Merchant’s bank account(s) to settle liabilities in compliance with the Agreement;

“**Inquest**” – collection and clarification of information by the Bank if a problem arises in connection with the Agreement;

“**International Payment System**” – international payment systems (payment network processors) 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 settled transaction proceeds before they are credited 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”** – a refund of the transaction amount to the client initiated by the Merchant if the client returns goods or rejects the service;
- “Business Day”** – a calendar day except any Saturday, any Sunday and any public holidays envisaged by the law of Georgia (from 10:00 am to 6:00 pm);
- “Deal/Transaction”** – a deal between the Merchant and the client aimed at the purchase of goods/ services, whereby payments are made using payment cards and the online shopping system;
- “Online Shopping System”** – application software and hardware operated by the Merchant that enable the Merchant to transmit goods/services data to the website and make deals;
- “Deal amount”** – funds payable to the Merchant for goods/services purchased by the client in compliance with deals and agreements concluded;
- “Good/Services”** - Goods/services sold by the Merchant online;
- “Issuer”** – a credit organization that issues and delivers to clients bank cards based on relevant agreements;
- “Electronic Drafts”** – transaction data generated electronically in the Merchant’s system upon card payment authorization in the card payment network. Electronic drafts are the basis for settlement between the Bank and the Merchant.
- “Digital Wallet”** – a software-based system that stores payment card tokens and allows accepting payments for e-commerce transactions and at POS terminals. Payments carried out by means of a digital wallet are subject to the same terms and conditions as card payments envisaged in the Agreement.

## 2. Rights and Obligations of the Bank

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

- 2.1.1 Transfer transaction proceeds to the Merchant’s account (an account provided by the Merchant to the Bank) in national currency based on Electronic Drafts and to the deadlines specified in the Application/on the Bank Website;
- 2.1.2 Carry out the transfer mentioned in 2.1.1 (i.e. settle transaction proceeds for the Merchant) based on the batch data after the transaction is processed in the card payment network;
- 2.1.3 At the Merchant’s request, supply the Merchant with business transaction reports via e-mail or fax;
- 2.1.4 Notify the Merchant regarding a fraudulent transaction within no later than 3 (three) business days after it is informed about a fraud application and/or a chargeback filed with the card issuer.

- 2.1.5 Ensure that the transaction amount is transferred (settled) to the Merchant's account in compliance with the terms and conditions stipulated in the Agreement within no later than 2 (two) business days.
- 2.2 Under the Agreement, the Bank may:
- 2.2.1 Draw the following amounts from the Merchant's account(s) by direct debit:
- 1) Bank fees;
  - 2) Amounts subject to reversal;
  - 3) Chargebacks - amounts of disputed transactions and/or transactions that have been declared fraudulent by the card issuer;
  - 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 Provide 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 total amount and/or number of chargebacks reaches 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 settlements for the Merchant until the causes are identified (through inspection);
- 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 fulfilment 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 the necessary funds by direct debit from the Merchant's transaction proceeds and/or any accounts(s) held by the Merchant with the Bank if the Required Balance of the Insurance Reserve is not sufficient to settle the Merchant's liabilities to the Bank arising out of Key Terms and Standard Terms. In the absence of transactions and/or account balance(s), the Merchant is obliged to forthwith fulfil 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/checking, card, sales, other similar accounts) and/or a Call Deposit account in any currency if 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 transfers in a currency different from the currency of the settlement 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 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 has the right to suspend settlements for 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/or Mastercard Payment Systems.

### **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 (unless he/she/it already has one), where to transfer funds under the Agreement;

3.1.2 After the Bank ensures that the payment gateway is integrated into the Merchant's website, display the information about card payment rules on the online store's website;

3.1.3 Sell goods/services via online store in line with his/her/its field of business;

3.1.4 Pay the Bank the following amounts within 3 (three) business days of the Bank's notice:

- Reversals;
- Transactions disputed by the card issuer (chargebacks);
- Penalties/payments imposed by the International Payment System on the Bank due to an incident 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 Fulfil the requirements set forth in Sub-Paragraph 3.1.4 of the Agreement with respect to each authorized transaction within 180 (one hundred and eighty) days after the Bank

- transmits it to the International Payments Systems. Thus, the Bank has the right to deduct by direct debit the amounts indicated in Sub-Paragraph 3.1.4 hereof from the Merchant's Insurance Reserve and/or other accounts within 180 (one hundred and eighty) days after an authorized transaction is transmitted by the Bank 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 has the right to require, and if so, the Merchant is obliged to pay the Bank a penalty equal to six times the sum of e-commerce transactions in the last 6 (six) months (minimum 5 000 (five thousand) GEL);
  - 3.1.10 Not perform a transaction (not accept a payment) unless it is directly related to the sale of goods/services offered by the Merchant to clients;
  - 3.1.11 Not take part in transactions/fictitious transactions (without rendering a service to the client(s)) that are directly or indirectly related to money laundering;
  - 3.1.12 Not submit a transaction document(s) (whether in a paper and/or electronic form), which the Merchant knows or should know is/are fake or has/have 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 of the Bank's respective notice. Otherwise, the Bank has the right to suspend any service(s) (including, the E-Commerce service) envisaged by the Agreement and/or annexes hereto, and furthermore, to terminate the service(s) (including, the E-Commerce Service) unless all of the liabilities are fully satisfied within 30 (thirty) calendar days of the suspension of the service(s);
  - 3.1.14 Check all transactions performed via TPAY QR on TPAY WEB and/or in the mobile application;
  - 3.1.15 Not require the client to post payment card details (card number, expiry date, etc.) to the Merchant's website; not save payment card details and/or disclose/transfer them to any third party (except when directly required by the law); strictly comply with security standards for payment card transactions.
  - 3.1.16 Follow the customer confidentiality policy.
  - 3.1.17 Keep and maintain throughout the validity period of this Agreement relevant equipment, machinery and/or other means (including personnel qualification enhancement tools, internal control tools and other technical equipment) in order to ensure full compliance with information security/confidentiality standards and legislative requirements.
  - 3.1.18 Display the transaction amount to the client before the transaction is performed.
  - 3.1.19 Not refuse the client access to services envisaged herein for the purchase of goods/services unless the Merchant finds the transaction suspicious.
- 3.2. In compliance with the provisions of the Agreement, the Merchant is obliged to ensure that:
- 3.2.1 Payment transactions accepted by the Merchant feature all relevant card transaction data, the Merchant's activities comply with MCC (Merchant Category Code) assigned to him/her/it by TBC

Bank JSC; the Merchant uses for its online transactions the website that is 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 Payment tools/gateway(s) mentioned herein are only used to accept payments for goods/services sold;

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 in compliance with the Law of Georgia on the Facilitation of Prevention of Illicit Income Legalisation as well as anti-money laundering regulations of the International Payment Systems (VISA/Mastercard);

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

3.2.9 A credit entry is not posted without a debit entry for the same transaction;

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

3.3. The Merchant has the right 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 set forth in 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 set forth in 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 will 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 clients or third parties due to 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 clients, including 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 deducted/ to be deducted in compliance with the Agreement and/or the possible damage resulting from the deduction;

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

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

4.10 The Bank shall not be held responsible for any damage/loss caused by a third party action(s) (including third party modifications made to the Merchant's website, application or any component thereof or authorized or unauthorized (including fraudulent) third party access thereto).

#### **5. Force Majeure and Restriction of Obligations**

5.1. The Parties are released from contractual obligations if non-fulfilment 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' actions or inactivity.

#### **6. Validity Term, Amendment and Termination of the Agreement**

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

6.2. The Merchant may 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 of submitting a service termination notice to the Bank;

6.3. The Bank may 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 may revise terms and conditions and features of the services(s) described herein and/or the respective charges (if the Bank's tariffs change) and propose the Client revised terms and conditions and/or 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 these Standard Terms for 180 (one hundred and eighty) days from the termination of the Agreement.

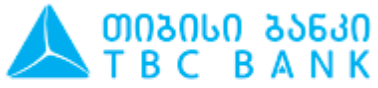
#### **7. Confidentiality**

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 term of obligations undertaken by the Merchant and described in Paragraphs 3.1 and 3.2 of these Standard Terms shall begin from the moment transaction details are



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TBC Bank E-Commerce

posted to the transaction archive (Authorization History). Batch data shall serve as evidence to testify to the deadline of the obligation(s).

### Annex #1

Rules/conditions set out in Annex #1 herein are binding on companies that use e-commerce or TBC E-commerce to accept payments:

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 clients 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. These details must be communicated to the client 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 client may be a non-resident / 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 and the client must agree to them before making a purchase:
  - Confidentiality policy;
  - Transaction security policy;
  - Payment policy;
  - Legislative compliance policy;
9. The website must feature the Merchant's DBA (the trade name) before the payment is completed. DBA will appear on the client's statement.
10. When a transaction is carried out, the cardholder data (name, address, telephone) must be necessarily indicated on the website and the information must be provided to the Bank upon the Bank's request in the course of 6 months from the transaction date.

## Annex #2

This Annex regulates in-store payments via TPAY QR.

### **TPAY payment service terms and conditions for brick-and-mortar stores (physical Merchants):**

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

### Annex #3

**This Annex regulates TBC E-commerce payment terms and conditions for online Merchants):**

1. Administrator rights and admission parameters on the TBC E-commerce platform as well as internet banking user rights must be assigned to the Director of the online store.
2. The Merchant's Administrator and users authorized thereto by the Company Administrator will have access to the website's TBC E-commerce integration parameters.
3. The Merchant's Administrator will manage access levels to the Merchant's management panel on the TBC E-commerce platform.

#### Annex #4

#### Personal Data Processing Policy

- 1.1. The Merchant represents and warrants that it will:
  - 1.1.1. Process the data transferred to it in compliance with this Agreement and the Law of Georgia solely for the purpose indicated herein and defined by the Law of Georgia;
  - 1.1.2. Take relevant technical and administrative measures with respect to the risks related to the nature of the data and the data subject in order to prevent unauthorized processing of personal data (including unauthorized dissemination, access, modification and destruction);
  - 1.1.3. Limit an access to personal data to a narrow circle of users/administrators and only grant the authority to those who have a direct need to access the data and are aware of non-disclosure and security requirements related thereto;
  - 1.1.4. In case of an accidental or unauthorized access to personal data, and destruction, loss, modification or disclosure thereof, inform the Bank immediately or not later than 2 (two) working days therefrom regarding the nature of the incident, indicating the data destroyed/lost/modified/disclosed;
  - 1.1.5. Take immediate measures to ensure timely response to an incident and elimination of the causes, and inform the Bank about these measures;
  - 1.1.6. Not transfer to a third party personal data received from the Bank under the Agreement without the Bank's prior approval. If such an approval is provided, requirements envisaged hereunder will apply to any third party receiving the data, without any limitations;
  - 1.1.7. Assign personal data processing to subcontractors only on special occasions and upon the Bank's written approval. These subcontractors shall be subject to requirements envisaged hereunder, without any limitations. Assignment of personal data processing to subcontractors does not relieve the Merchant of the obligations assumed or limit the Merchant's responsibilities in case of damages resulting from the breach of the obligations;
  - 1.1.8. If it exercises the right set forth in Article 1.1.7 herein, inform the Bank regarding the identity of subcontractors and make any changes related thereto only upon the Bank's written approval. The Bank is authorized not to approve the subcontractor proposed by the Merchant. Unless the disagreement is resolved through negotiations, the Bank is authorized to terminate the Agreement with the Party prematurely, without incurring any compensation liabilities;
  - 1.1.9. If the Bank terminates the Agreement on the grounds set forth in Article 1.1.8 herein, return the Bank and destroy/delete permanently the personal data transferred to it as well as copies thereof within a reasonable period of time. The Bank is authorized to require confirmation of deletion from the Merchant. This provision shall not apply to information which the Party is obliged to maintain under the effective Law.
  - 1.1.10. Obligations related to personal data processing remain in force following the completion of the contractual relationship up to the date to which the Contractual Party maintains access to personal data transferred to it. This provision shall not be construed as the Merchant's right to maintain access to personal data transferred to it under the Agreement after the completion of contractual relationship. The Merchant shall return and destroy/delete permanently personal data transferred to it by the Bank and copies thereof within a reasonable period after the completion of contractual relations but not later than 30 days;

- 1.2. In case of reasonable doubts, the Bank is authorized to check the performance of tools and systems used for processing personal data transferred to the Merchant, as well as their compliance with technical and administrative specifics under safety requirements set forth herein;
- 1.3. Depending on the gravity of the breach of the aforementioned guarantees, for the purpose of the inspection, the Bank is authorized to require of the contracting party the submission of relevant information and documents to the Bank;
- 1.4. The Bank fully releases the responsibility for any damage and cost resulting from deliberate or negligent breach of any of the obligations under this policy;
- 1.5. The party processing the data is obliged to strictly observe the requirements of the Information System Infrastructure indicated in the annex to this Agreement.

### **Annex: Information System Infrastructure Requirements**

The following measures shall be taken with respect to the space of a contracting party, where the personal data supplied by the Bank is temporarily or continuously found:

1. An isolated space must exist for the storage and the processing of the personal data, which will be separated by an independent Firewall.
2. Relevant authorized persons must control the access to the space Firewall.
3. The information stored in the isolated space must be accessed via the so called Jump Servers;
4. The integrity/accessibility of the space must be controlled and monitored;
5. Updates on the servers placed in the space must be monitored;
6. Personal data must be encrypted by using strong programming algorithms where possible;
7. Access to the isolated space must be ensured by using a protection method, via encrypted communication and safe protocol;
8. Password policy must exist for the isolated space to define the complexity, change period and history of passwords;
9. The admin user passwords for isolated space servers must be divided at least into two parts and stored with various owners, by using a safe method;
10. The so called two step authentication of users must be carried out for giving access to the space;
11. The isolated space must not be accessible via internet;
12. Logging must be carried out onto the isolated space servers; log must be kept in a centralized way and if necessary, it can be used in the process of incident or defect investigation;
13. Remote Storage (Cloud Service) must not be used for the storage, processing and the transfer of personal data;
14. When using personal data within the development or testing, the information must not be falsified in a way that it becomes impossible to directly or indirectly identify a person;
15. A shredder or fire must be used for the destruction of information because of its aging or due to a special request. The process of destruction must be attended by a pre-selected representative of the Bank.