



## General Terms and Conditions of Certificate of Deposit

These terms and conditions regulate rights and obligations both of a holder and the bank with respect to certificate of deposit.

### 1. General provisions

- a. Certificates of deposit (hereinafter "Certificate") are funds attracted by the bank equaled to term deposits. Certificate confirms obligations of the bank towards the certificate holder under which the bank undertakes to return\pay to Certificate holder sums of money according to terms and conditions set in the Certificate of deposit agreement (hereinafter "Agreement") entered by and between the parties and terms and conditions or\and fulfil other financial obligations thereof .
- b. Ownership of Certificate is confirmed by statement from the registry of certificates issued by the bank. For the avoidance of doubt the holder is aware that the statement is not a security and only certifies legal relations between the parties.
- c. Certificate holder knows that this certificate is non-standard and requirements of Regulations for standard certificates of deposit of commercial banks do not apply to it.
- d. There may be two types of Certificate: interest or discounted.
- e. In case of interest certificate of deposit, the bank undertakes according to the terms and conditions stipulated in the Agreement: [1] return amount that is equal to par value to the holder; [2] periodically pay the holder interest accrued.
- f. In case of discounted certificate of deposit the bank undertakes according to the terms and conditions stipulated in the Agreement to pay to the Certificate holder amount equal to par value of discounted certificate of deposit.
- g. Term of certificate of deposit stipulated in the Agreement indicates the date when the bank shall be obliged to return amount equal to par value to the Certificate holder.
- h. Putting money into account opened for certificate of deposit and its return\payment is carried out through current\card accounts of Certificate holder, according to the Agreement signed by Certificate holder. Rights and obligations of the parties in respect to current\card accounts are regulated by the Agreement thereof.
- i. These terms and conditions apply both to interest and discounted certificate of deposit unless otherwise expressly noted, or the context implies that the terms and conditions thereof may apply particularly to interest or discounted certificate.
- j. Partial disbursement of certificate of deposit or additional payments to certificate in no allowed.

## **2. Order of interest calculation\ payment of par value \ interest accrued on certificate of deposit**

- a. In case of interest certificate of deposit, par value of the certificate refers to sums of money placed by the Certificate holder in the bank in exchange of certificate of deposit, that shall be paid to the Certificate holder at the maturity date.
- b. In case of interest certificate of deposit, the bank pays interest to the Certificate holder according to the procedure, amount and frequency as provided for by the Agreement\terms and conditions herein.
- c. Interest is calculated on a daily basis, at the rate of 365 days per year.
- d. Interest paid is reflected on the current or card accounts of the Certificate holder according to the Agreement signed by Certificate holder.
- e. The bank deducts tax from interest accrued, in the presence of legal requirements.

## **3. Payment procedure for discounted certificate of deposit**

- a. In case of discounted certificate of deposit, amount of certificate is sums of money placed by the Certificate holder in the bank in exchange of certificate of deposit, and par value is money that shall be paid to the Certificate holder at the maturity date.
- b. The bank deducts tax for the surplus revenue gained by the Certificate holder, in the presence of legal requirements.

## **4. Early disbursement (buy-out) of certificate of deposit**

- a. Early disbursement of certificate of deposit imply existence of circumstances when in case of desire of the Certificate holder and consent of the bank, the bank returns sums of money before maturity.
- b. For the avoidance of doubt the holder the Certificate holder demand on early disbursement (buy-out) of certificate of deposit shall not involve creation of bank obligations and the bank makes decision at its sole discretion.
- c. The bank shall not be obliged to prove its refuse to make early disbursement (buy-out) of certificate of deposit.
  - i. In case of interest certificate of deposit [a] interest is not accrued on sums of money placed under the certificate of deposit and [b] penalty under the Agreement shall be imposed against Certificate holder, and amount payable to the Certificate holder shall be adjusted as stipulated in this section (incl. deduction of interest paid).
  - ii. In case of discounted certificate of deposit [a] the bank pays amount of Certificate to the Certificate holder under the relevant Agreement, but not a par value and [b] amount payable to the Certificate holder shall be adjusted according to the provisions of this section .
- d. The bank reviews the Certificate holder's request with respect to early disbursement (buy-out) of certificate of deposit and informs him within 3 days of applying , in case of positive response the amount shall be paid within 5 days.
- e. If certificate of deposit serves as collateral for bank demand the bank shall have right to meet its demand at the expense of funds placed by the client under the Certificate of deposit, this circumstance from legal point of view will be assessed as early disbursement (buy-out) of certificate

of deposit and will cause the results stipulated in section 4.d., with respect to interest and discounted Certificates of deposit. However, penalty will be withheld on a first-priority basis and then the bank demand will be satisfied.

- f. Partial buying-out of Certificate is not allowed.

## **5. Transfer of Certificate of Deposit**

- a. The Certificate holder shall be entitled to transfer Certificate of deposit.
- b. Transfer of the Certificate of deposit is carried out according to the Agreement signed by the bank, person who transfers the Certificate and buyer, standard form of which has been drawn by the bank.
- c. The parties can declare their will only at the bank sales points.
- d. After the Certificate is transferred, the bank makes changes to certificates registry, the buyer is registered as the Certificate holder, in witness whereof the statement is issued.
- e. Certificate holder acknowledges that transfer of Certificate is allowed only in the form of refundable deal, and therewith cash settlement shall be made.
- f. After the signing of trilateral agreement noted in section 5.b., the bank provides money transfer from the buyer's account to the account of the person who transfers the Certificate and re-issue of the Certificate in the buyer's name.
- g. The bank charges a fee for transfer provided for by the Agreement.
- h. After transfer of Certificate the buyer takes place of the previous holder of Certificate and terms and conditions herein, Agreement signed by the previous holder, statements, etc. will be legally binding upon him.
- i. Partial transfer of Certificate and/or holding by several persons is not allowed.

## **6. Communication Rules**

a. The bank shall be entitled to surrender notification or other document or send notification/document (via courier or post organization) to the Certificate holder's address registered in Registry of entrepreneurial and non-entrepreneurial legal persons of National Agency of Public Registry/indicated in ID document. Notification/document may be sent/provided via SMS, by fax, e-mail or other means of communication indicated in the Agreement. Notification/document may be sent/provided to the Guarantor via SMS, by fax, e-mail of the Certificate holder or other means of communication registered in the Registry of entrepreneurial and non-entrepreneurial legal persons of National Agency of Public Registry. Notification/document sent in this way shall be deemed delivered to the Certificate holder. Notification/document sent via SMS or e-mail to the aforesaid bank details by the bank employee on behalf of the bank shall be deemed delivered to the Certificate holder.

b. The notification shall be deemed received by/delivered to the Certificate holder:

- i. by personal delivery - on the day of delivery of the notification or other document to Certificate holder.

- i.i. by courier or post organization – on the 5th calendar day after the day of delivery to the courier/post organization, or the day of confirmation of delivery to the Certificate holder, the earlier of the aforesaid dates.
- c. by e-mail – on the day of receipt of confirmation sent from the Certificate holder’s e-mail address or the day following the day when notification was sent, the earlier of the aforesaid dates.
- d. by other means- on the day after the day on which the notification/document was sent.
- e. The bank’s notification/document shall be deemed received by/delivered to the Certificate holder if the notification returns, since the Certificate holder’s location has not been found or the Certificate holder declines or evades receiving notification or document, or the bank receives notification via e-mail that the Certificate holder’s e-mail address has been cancelled or it does not exist.
- f. If any of the bank details/contact details of the Certificate holder specified in the Agreement change and the bank has not been informed about it, the notification/document shall be deemed received by/delivered to the Certificate holder when sent to the aforesaid bank/contact details.

## **7. Dispute resolution**

a. All disputes arising out of this Agreement related to its termination or cancellation, any results arose out (including security related arrangements), issues related to authenticity and existence of arbitration clause stipulated by the present Clause shall be resolved by final and binding LLC Arbitration Chamber of Georgia (Identity N205267389), legal competence of which the parties acknowledge without cancellation.

This Arbitration shall consider the case under the rules set by its Regulation. The case subject to its difficulty shall be considered by the Arbitration consisted of one or three arbitrators. Arbitration shall appoint arbitrators and determine their quantity.

The arbitral award on juridical security of plaintiff’s claim shall be subject to execution on the basis of enforcement order issued by Arbitration and do not require the juridical knowledge and enforcement.

b. The parties shall undertake an obligation to inform Arbitration about change of address and/or location, otherwise correspondence send by Arbitration to the address stipulated in this Agreement (including notification on legal proceedings, orders, decisions , etc.) will be deemed received (with appropriate legal consequences).

## **b. Final provisions**

- a. The bank and the Certificate holder shall keep confidential terms and conditions contained herein and other relations thereof, taking into consideration that these changes will not apply to :
  - i. Information that is or will become accessible to the public notwithstanding the parties.
  - ii. Information that may be obtained from other source of information.
  - iii. Information that shall be disclosed by either party according to the legal requirement of authorized body.
- b. The bank shall be entitled to:
  - i. Transfer any information\document related to the client to external auditor providing professional service to the bank.
  - ii. Use information related to Certificate of deposit for preparation of VTB Group reporting.
  - iii. Transfer client account information to National Executive Bureau.
  - iv. If Certificate of deposit serves as a collateral for the demand, in case the bank intends to assign the demand to the other person, transfer information on Certificate of deposit to third persons.
- c. The Bank shall be entitled to unilaterally amend terms and conditions herein and place them on the bank's website.
- d. The client agrees that VTB Bank (Georgia) for the purpose of (1) identification/verification (2) obtaining banking services (3) sending informational messages (4) receiving information about effected banking transactions and (5) direct marketing, shall obtain form electronic data base of State Services Development National Agency the client's personal data, in the manner prescribed by law and to the extent required for accomplishment of this purposes.