

## **Main conditions for use of credit limit**

### **1. Definitions**

- 1.1. Card account – account opened by the Client at the bank with allowed credit limit (hereinafter “Allowed credit limit”), which reflects operations carried out with International bank cards issued by the bank (hereinafter “Card”)
- 1.2. Used limit - credit limit spent within allowed credit limit.
- 1.3. Expended credit limit - facility and commission fee (cash withdrawal, ect.) disbursed to \ by the Client under the credit limit. The Parties agree hereof that expended limit according to cash withdrawal fee may exceed credit limit facility allowed by the Bank.
- 1.4. Annual interest rate – is contemplated by the Appendix (tariffs) and is an interest that is accrued based on the actual time of overdraft usage (365 calendar days).
- 1.5. Minimum payment – fee for credit limit usage paid by the Client by or before the payment date which includes: 10 (ten) % of credit limit used on the billing date, accrued interest and penalty (if any). If expended credit limit exceeds allowed limit, minimal payment shall include the existing difference.
- 1.6. Payment day – on the 25th day from the billing date. If payment day falls on nonbusiness day, than payment date shall be transferred to the next day.
- 1.7. Billing date – 5 th of each calendar month.
- 1.8. Overdue – minimum payment is not paid upon to 9:00 p.m. of the payment day.
- 1.9. Working day – any calendar day of the year, except the weekend days and holidays contemplated in Georgian legislation.
- 1.10. Overdue liability - Client’s liability towards the Bank, which has not been settled within the conditions and period specified herein.
- 1.11. Card blocking - temporary suspension of operations on card account caused by violation of the Terms and Conditions (card shall be placed in local stop list, in some cases at bank discretion – in International stop list).

### **2. Credit limit repayment rules**

- 2.1. Minimum amount shall be paid on monthly basis on payment date<sup>1</sup>, otherwise the Client shall be liable to penalty specified by the tariffs.
- 2.2. In case if the Client fully repays expended limit by the due date, annual interest rate shall not accrue on limit mastered during the period of credit limit usage, otherwise annual interest will be charged on the Client’s mastered limit during the period of credit limit usage.
- 2.3. If during the period of credit limit usage the difference between the allowed and expended credit limit facility originates, the difference shall be charged overdue fine per day according to the tariffs.
- 2.4. If the Client fails to pay off minimum amount by due date the Bank shall have the right to block card. The Client will be charged a commission (if available) for card blocking. The card shall be activated after the full repayment of the overdue debt.

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<sup>1</sup> *If expended limit exceeds allowed limit facility, the Client shall be imposed an obligation to pay the difference upon its origination and this obligation shall not be postponed to payment date.*

- 2.5. If the minimum payment is not made on the 45th day from the payment date, credit limit shall be cancelled. Once the credit limit is cancelled the bank stops serving the Client under the terms and conditions herein and demands immediate repayment of used credit limit and all payments accrued on it.
- 2.6. If the Bank stops servicing the credit limit unilaterally, interest will still be charged on the remaining debt even after the cancellation of credit limit.
- 2.7. The Client shall repay overdue debt in the following order of priority: penalty accrues on the difference between expended and allowed limit, difference amount between expended and allowed limit (if available), accrued penalty, interest and expended credit limit. This order may be changed by the bank at its sole discretion.
- 2.8. In respect with the repayment of the overdue debt the Parties agree that:
  - 2.8.1. The Client must have the necessary amount of funds to make the minimum payment on the account with allowed credit limit.
  - 2.8.2. If by the date of payment there is not enough money in the account with allowed credit limit to make the minimum payment, the Bank shall have right (but not obliged) without Client's consent to draw down any liability arose under these terms and conditions from any Client's account opened in the Bank (incl. deposit account) in the order contemplated in the clause 2.7. If currency of debt is different from the currency of amount on the account, the amount will be converted by the Bank independently at the Bank's commercial rate effective on the date of payment. The Client will pay a conversion fee.
  - 2.8.3. The bank shall have right (but not obliged), without Clients consent to draw down any overdue debt from any Client's account opened in the Bank (incl. deposit account) in the order contemplated in the clause 2.7. If currency of debt is different from the currency of amount on the account, the amount will be converted by the Bank independently at the Bank's commercial rate effective on the date of payment. The Client will pay a conversion fee.
  - 2.8.4. The Client will not be able to use credit limit to cover the debt. This provision shall not restrict the right of the Bank to use amount deposited in the Client's any account to pay off a debt owing by the Client.

### **3. Special provisions**

- 3.1. In the event the Client is issued supplementary card the card holder shall have right to use the Client's card account within the allowed credit limit of this card. Supplementary card will be issued in the same terms and conditions as primary card.
- 3.2. The Client (primary card holder) shall be responsible for operations, carried out by supplementary card holder and liability which could arise therefore.
- 3.3. Card will be replaced in case of its loss/damage/expiration of its validity period by Client's demand. Interest continues to accrue on the disbursed amount and liabilities will be repaid as set out in the Terms and conditions herein in case the card is not replaced.
- 3.4. The Bank and the Client shall keep confidential present Terms and conditions and other relations in this respect, assuming that this restriction will not apply to:
  - a) Information which is or will be public regardless of the Parties.
  - b) Information which may be received from the other source.
  - c) Information required to be disclosed under law. Notwithstanding the restrictions specified in these Terms and conditions, Client empowers the bank to furnish CreditInfo Sakartvelo JSC.

(registered on 14.02.2005 at Mtatsminda-Krtsanisi District Court, registration №06/5-51), all information (positive and/or negative) related to the Client and obligations hereby with a view of entering into database, consequently this information may be available for other persons, and receive information related to the Client from this database.

- 3.5. Other obligations and rights of the Parties with respect to the card can also be regulated by general terms and conditions for account maintenance. In case of collision between the latter and terms and conditions herein, the present terms shall prevail.
- 3.6. Credit limit is valid for 1 (one) year.
- 3.7. If the Client fully complies with the terms and conditions of credit limit usage the credit limit term will be extended for one year. This term will apply for each further period of one year. The Bank shall have right at any time and in any case to refuse the prolongation of the credit limit term. In case the Bank makes such decision the Client will not be able to use credit limit after its expiry date and will be obliged within one day to fully refund used amount, accrued interest and penalty (if available) as of the last date of the overdraft term. If the Client fails to fulfill his obligations under this clause within 48 hours after the expiration date, the Client's liabilities will be considered as overdue and he will be imposed a liability.
- 3.8. If the credit limit period is prolonged, the Client shall be imposed to pay commission fee for prolongation (if available)
- 3.9. For avoidance of any doubt, if the Client fails to use credit limit on the day after the expiry date, it means that the Bank refuses to extend the credit limit term.

#### **4. Rights and obligations of the Parties**

- 4.1. The Bank shall have right to:
  - 4.1.1. Make decisions on the basis of client's application concerning credit limit decrease or increase.
  - 4.1.2. If case of overdue debt existing then in card account, demand realization of any asset of the Client.
  - 4.1.3. Require from the Client to secure overdraft in form of hypothec, pledge or guarantee.
  - 4.1.4. Change conditions and/or tariffs under this document unilaterally and put on the website of the bank. Client will be informed at least one month prior to the interest rate being changed, in accordance with the rules under these Conditions.
  - 4.1.5. Suspend \cancel credit limit unilaterally and require to refund used amount, accrued interest, commission charge and penalty interest, if:
    - 4.1.5.1. Client violates these Terms and conditions;
    - 4.1.5.2. Client's financial condition get worse or if the bank considers that there exists threat that such circumstances may occur;
    - 4.1.5.3. Client's action are turned to fraud against the bank;
    - 4.1.5.4. If the Client fails to secure credit limit despite the bank's demand.
  - 4.1.6. Cancel credit limit if during 6 month the Client will not use allowed limit.
  - 4.1.7. Block card (prime, supplementary) upon the first overdue.
  - 4.1.8. Turn down Client's request to increase credit limit or grant limit less than required.
  - 4.1.9. In case if the right of demand is assigned to a third person under this agreement, transfer complete information about the Client to the specified third person.
  - 4.1.10. Use information about the Client for a purpose of VTB group reporting activities.

- 4.1.11. To make unilateral decision increase credit limit and inform the Client according to the rule prescribed in conditions above. After the Client uses increased limit it will be assumed that the Client agrees with the decision of the bank to increase the credit limit.
- 4.1.12. To make unilateral decision decrease credit limit and inform the Client according to the rule prescribed in conditions above. After the client has been informed the bank has the right to direct funds located at the Client's account to decrease limit.
- 4.2. Penalty/commission fee/ recovery is a right and not an obligation of the bank, so the Bank can refuse to make decision on full or partial charging of penalty/commission fee.
- 4.3. Client shall have right to:
  - 4.3.1 Require the bank to decrease or increase the credit limit.
  - 4.3.2 Present a claim to the bank in accordance with the form specified in Appendix.
- 4.4. Client shall be obliged to:
  - 4.4.1 Make monthly minimum payment during the credit limit term.
  - 4.4.2 Repay liabilities towards the bank from any paying to account on priority basis.
- 4.5. The bank undertakes to inform the Client about minimal payment amount sending him/her a short text message no later than on the next banking day following calculation date.

## 5. Final provisions

- 5.1. Client gives the bank unconditional right to receive information on Client from State Services Development Agency.
- 5.2. Client undertakes to obtain minimum payment information in the Internet Bank, using the provided user name and password. Messages sent to a Client's mobile phone will be deemed to have been received if phone is out of area of network coverage or turned off, or if the Client no longer uses the specified number and has not informed the bank in written about a change in mobile phone number.
- 5.3. If the Client fails to meet obligations under the present Terms and conditions, for the purpose of recovering of overdue debt, Client shall empower the bank to transfer information in respect of the Client and present Terms and conditions to the third persons.
- 5.4. All disputes under this Agreement including those arising out of this Agreement or its accessory Agreements 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 Article of plaintiff's choice 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.
- 5.5. The parties shall undertake an obligation to inform Arbitration about change of address or location, otherwise Arbitration shall send correspondence to the address stipulated in the Agreement (including notification on legal proceedings, orders, decisions , etc.) and it will be deemed received (with appropriate legal consequences).

- 5.6. Except notification rule provided by 5.2 of the agreement, the Bank shall be entitled to inform client or transfer him/her any notification/document (through postal or courier service) to the address indicated in the application or to the Client's address registered in Registry of non-entrepreneurial (non-commercial) legal person National Agency of Public Registry/specified in identity document. Notification/document may be sent/provided according to the phone number indicated in application via short text message, fax, e-mail or other means of communication. Message/document also can be sent/provided via short text message, fax, e-mail or other means of communication to the phone number registered in Registry of non-entrepreneurial (non-commercial) legal person National Agency of Public Registry. Notification/document sent using any form mentioned above will be deemed to have been received by the Client. Notification/document sent by employee of the Bank on behalf of the Bank in the form of short text message according to the specified requisites will be deemed delivered to the Client.
- 5.7. The notification shall be deemed received by/delivered to the Client if:
- 5.7.1 Be personal delivery – on the day of delivery of the notification or other document to the Client.
  - 5.7.2 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 by the Client , the earlier of the aforesaid dates.
  - 5.7.3 by e-mail – on the day of receipt of confirmation sent from the Client's address of the Bank's notification or the day following the day when notification was sent, the earlier of the aforesaid dates.
  - 5.7.4 by other means of communication - on the day after the day on which the notification\document was sent.
- 5.8. The Bank's notification\document shall be deemed received by\delivered to the Client if the notification sent by the Bank returns, since the Client's location has not found or the Client declines or evades receiving notification or document, or the Bank receives notification via e-mail that the Client's e-mail address has been cancelled or it does not exist. If any of the requisites\ contact details of the Client specified in the application change and the Bank has not been informed about it, the notification\ document shall be deemed received by\ delivered to the Client when sent to the aforesaid requisites\ contact details. The Bank shall not be obliged to inform the Client in writing about changes of the address whereas the Clients know that VTB Bank (Georgia) JSC Head office and branches \SC addresses are available on the following website-[www.vtb.ge](http://www.vtb.ge).