

General Terms and Conditions of Overdraft Usage

1. Definitions

- 1.1. Card account – account opened by the Client at the Bank with overdraft facility (hereinafter “Overdraft”) which reflects operations carried out with International bank cards issued by the Bank which reflects operations carried out with International bank cards (hereinafter “Card”).
- 1.2. Used overdraft- facility spent within the set limits
- 1.3. Expended overdraft- facility and commission fee (cash withdrawal, etc.) disbursed to \ by the Client under the overdraft. The Parties agree hereof that overdraft expended according to cash withdrawal fee may exceed overdraft 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 overdraft usage paid by the Client by or before the payment date which includes 10% of the overdraft used on the billing date, accrued interest and penalty (if any). If expended overdraft facility exceeds allowed overdraft, minimum payment shall include the existing difference.
- 1.6. Payment date –on the 27 th day from the billing date. If payment date falls on nonbusiness day, payment date shall be transferred to the next day.
- 1.7. Billing date – 10th or 25 th of each calendar month, by the Client’s request.
- 1.8. Overdue –minimum payment not paid upon 9.00 p.m of the payment date.
- 1.9. Working day- any calendar day of the year, except Saturday and Sunday and holidays contemplated in Georgian legislation.
- 1.10. Overdue liability – Client’s liability towards the Bank which has not been settled within the period specified herein.
- 1.11. Card blocking – temporary suspension of operations on card account caused by violation of the Terms & Conditions hereunder (card shall be placed in local stop list, in some cases at bank discretion – in International stop list).

2. Overdraft repayment rules

- 2.1. Minimum amount shall be paid on monthly basis on payment date¹. Otherwise the Client shall be liable to penalty specified by the tariffs.
- 2.2. If during the period of overdraft usage the difference between the allowed and expended overdraft facility originates, the difference shall be charged overdue fine per day according to the tariffs.
- 2.3. 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.
- 2.4. If the minimum payment is not made within 45 days from the payment date, overdraft shall be cancelled. Once the overdraft is cancelled the Bank stops serving the Client under the terms and conditions herein and demands immediate repayment of expended overdraft, accrued interest and penalty.

¹ If expended overdraft facility exceeds allowed overdraft facility, the Client shall be imposed an obligation to pay the difference upon its origination and this obligation shall not be postponed till payment date.

- 2.5. 2.5. If the Bank stops to provide overdraft service unilaterally, interest will be charged on the remaining debt even after the cancellation of the overdraft facility.
- 2.6. The Client shall repay overdue debt in the following order of priority: penalty accrued on the difference between allowed and expended overdraft facility, difference between allowed and expended overdraft facility (if available), accrued penalty, interest and expended overdraft. This order may be changed by the Bank at its sole discretion.
- 2.7. In respect with the repayment of the overdue debt the Parties agree:
- 2.7.1. The Client must have enough money to make the minimum payment on the account with overdraft facility.
- 2.7.2. If by the date of payment there is not enough money in the account with overdraft facility 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 2.6. 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.
- 2.7.3. 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 2.6. 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.
- 2.7.4. 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 additional card the card holder shall have right to use the Client's card account within the overdraft limit of this card. Additional card will be issued on the same terms and conditions as primary card.
- 3.2. The Client (primary card holder) shall be responsible for operations, carried out by additional card holder and liability which could arise therefore.
- 3.3. Card will be replaced by Client's demand in case of loss\damage\expiry of the card. 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 rights and obligations of the Parties with respect to the card are also 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. Overdraft is valid for 1 (one) year.
- 3.7. If the Client fully complies with the terms and conditions of overdraft usage the overdraft 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 overdraft term.
- 3.8. In case the Bank makes such decision the Client will not be able to use overdraft 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.
- 3.9. If the overdraft term is prolonged, the Client shall be imposed to pay commission fee for prolongation.
- 3.10. In order the doubts fell away, if the Client fails to use overdraft on the day after the expiry date, it means that the Bank refuses to extend the overdraft term.

4. Rights and duties of the Parties

- 4.1. The Bank shall have right to:
 - 4.1.1. Based on the Client's application make decision to increase or decrease overdraft limit.
 - 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 the present terms and conditions or\and tariffs unilaterally and place them in the Bank's website. The Client shall receive one month prior notification about the changes in interest rate.
 - 4.1.5. Suspend \cancel overdraft 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 gets worse or if the bank considers that there exists threat that such circumstances may occur.
 - 4.1.5.3. Client ceased to get salary or other periodic fee from the account opened at the bank.
 - 4.1.5.4. Client's actions are turned to fraud against the bank.
 - 4.1.5.5. If the Client fails to secure overdraft despite the bank's demand.
 - 4.1.6. Cancel overdraft if during 6 month the Client will not use overdraft limit.
 - 4.1.7. Block card (prime, additional) upon the first overdue.
 - 4.1.8. Turn down Client's request to increase overdraft limit or grant limit less than required.
 - 4.1.9. In case of cession of rights under the present agreement, transfer information in respect of the Client to the third persons.
 - 4.1.10. The Bank shall have right to use information related to the Client and present Terms and conditions for the purpose of preparing VTB Group financial statements.

- 4.1.11. If the Client's card account on which he gets salary and other periodic fee is changed, the Bank shall be entitled without informing the Client transfer credit limit to the account on which he gets salary and other periodic fee.
- 4.1.12. To make unilateral decision increase overdraft limit and inform the Client according to the rule prescribed in conditions above. After the Client uses increased overdraft it will be assumed that the Client agrees with the decision of the bank to increase the overdraft.
- 4.1.13. To make unilateral decision decrease overdraft 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 overdraft.
- 4.2. Penalty\ commission charging\recovery is the Bank's right and not obligation, so the Bank have right not 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 increase or decrease the limit.
 - 4.3.2. Submit Retail business development Department claims in form specified in Appendix.
- 4.4. Client shall be obliged to:
 - 4.4.1. Make monthly minimum payment during the overdraft term.
 - 4.4.2. Repay liabilities towards the bank from any paying to account on priority basis.
- 4.5. The Bank shall be obliged to inform the Client about minimal payment sending him/her an SMS sent to him not later than the banking day following a 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. 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.
- 5.3. 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 Georgian Arbitration Chamber Ltd (ID N 205 267 389), 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.
- 5.4. The parties shall undertake an obligation to inform Arbitration about change of address or\and 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).
- 5.5. The Bank shall be entitled to deliver or send notification or other document to the Client (via courier or post organization) to the address indicated in the application or to the Client's address registered in Registry of entrepreneurial and non-entrepreneurial legal persons of National

Agency of Public Registry\ specified in ID document. Notification\document may be sent \provided via SMS, by fax, e-mail or other means of communication to telephone number indicated in the application. Notification\document may be sent \provided via SMS, by fax, e-mail or other means of communication to telephone number 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 Client. Notification\document sent via SMS or e-mail to the aforesaid requisites by the Bank's employee on behalf of the Bank shall be deemed delivered to the Client.

5.6. The notification shall be deemed received by\ delivered to the Client:

- 5.6.1. by personal delivery – on the day of delivery of the notification or other document to the Client.
- 5.6.2. 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.
- 5.6.3. 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.
- 5.6.4. by other means- on the day after the day on which the notification\document was sent.

5.7. 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.