

General Terms and Conditions for Overdraft usage

1. Definitions

- 1.1. Card account – account opened by the Client at the bank with overdraft facility which reflects operations carried out with International bank cards issued by the bank (hereinafter “Card”).
- 1.2. Overdraft limit - Maximum amount allowed by the bank which can be withdrawn by the Client.
- 1.3. Annual interest rate – is set by the bank and the interest is accrued based on the actual time of overdraft usage (365 calendar days).
- 1.4. Settlement date - 25th of each calendar month.
- 1.5. Minimum payment – monthly fee paid by Client monthly for overdraft usage which includes: 10% of the overdraft used before the settlement date ¹, accrued interest , or/and commission charge or/and penalty.
- 1.6. Payment date – up to 11.00 p.m. on the 27th day from the settlement date. If payment date falls on Saturday-Sunday or public holidays, payment date shall be transferred to the next day.
- 1.7. Date of overdue – day following the payment day.
- 1.8. Overdue liability – Client’s liability towards the bank, which has not been settled within the period specified herein.
- 1.9. 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. Overdraft repayment rules

- 2.1. Minimum amount shall be paid on monthly basis on payment date. Otherwise the Client shall be liable to penalty.
- 2.2. If the Client fails to pay off minimum amount by the 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.
- 2.3. If the minimum payment is not made within 60 days from the payment date, overdraft shall be canceled. Once the overdraft is cancelled the bank stops serving the Client under the terms and conditions herein and demands immediate repayment of used overdraft and all payments accrued on it.
- 2.4. In the event provisions of grace period are not applied to overdraft facility, interest will be calculated based on actual time of overdraft usage. If the bank stops servicing the overdraft unilaterally, interest will still be charged on the remaining debt even after the cancellation of overdraft facility.

¹Used overdraft includes withdrawal fee

- 2.5. The Client shall repay overdue debt in the following order of priority: penalty interest and commission charge (if available), accrued interest and principal amount of the overdraft. This order may be changed by the bank at its sole discretion.
- 2.6. The Client declares beforehand to agree to the right of the bank, in case of card account debt, to draw down any liability arose under these terms and conditions, in the following order: penalty interest, commission charge, accrued interest and principal amount of the overdraft. 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 exchange rate effective on the date of payment.

3. Special provisions

- 3.1. In the event the Client issues supplementary card the card holder shall have right to use the Client's card account within the overdraft 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 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.

4. Rights and duties of the Parties

- 4.1.1. The Bank shall have right to:
 - 4.1.2. Based on the Client's application make decision to extend overdraft term, increase or decrease overdraft limit.
 - 4.1.3. If case of overdue debt existing then in card account, demand realization of any asset of the Client, if there is no available amount to repay the debt.
 - 4.1.4. Require from the Client to secur overdraft in form of hypothec, pledge or guarantee.
 - 4.1.5. Suspend \cancel overdraft unilaterally and require to refund used amount, accrued interest, commission charge and penalty interest, if:
 - 4.1.4.1. Client violates these Terms and conditions.

- 4.1.4.2. Client's financial condition get worse or if the bank considers that there exists threat that such circumstances may occur.
- 4.1.4.3. Client ceased to get salary or other periodic fee from the account opened at the bank.
- 4.1.4.4. Client's action are turned to fraud against the bank.
- 4.1.4.5. 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 overdrawn limit.
- 4.1.7. Block card (prime, supplementary) upon the first overdue.
- 4.1.8. Turn down Client's request to increase overdraft limit or grant limit less than required .
- 4.1. Imposition of penalty/ commission is the Bank's right but not an obligation, so the Bank have right not to make decision on full or partial imposition of penalty/commission.
- 4.2. 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.
- 4.3. 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.

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, Clint shall empower the bank to transfer information in respect of the Client and present Terms and conditions to the third persons.
- 5.3. 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.
- 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 Black Sea International Arbitration (3 Tsemi St., Tbilisi, ID code 212917067, 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\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).

Translated by N.Jgarkava