

Main agreement

Deposit Certificate Service Terms and Conditions

Article 1. Subject to agreement and terminology

1.1. Present agreement defines the relationships related to the deposit certificates issued (emitted) by the JSC Kor Standard Bank (hereinafter “bank”) and purchased by any individual (hereinafter “customer/owner”) rights and obligation of the parties to the agreement, deposit certificate issuance, registration, circulation, utilization, sale, repayment and other issues(standard terms).

1.2. Deposit certificate is a non-banking deposit and at the same time presents the bank’s liability to the certificate holder person, to pay the amount defined under the terms and conditions of the certificate.

1.3. Except for the cases, when otherwise requested by the context or otherwise defined by this main agreement, applied terminology have the following meaning:

Extract	<i>The document issued by the bank to customer on the basis of the data registered in the existing in the bank certificate’s registry, which confirms the fact of holding the certificate by the customer.</i>
Account	<i>Current banking account opened by the bank in the bank.</i>
Non-standard certificate	<i>Certificate issued by the bank, the terms and conditions of which do not comply the terms and conditions of the standard deposit certificate approved under the decree 349/04 of President of Georgia on 3 May 2012 and defines the rules different from it.</i>
Date of payment	<i>The date, when the bank has established and defined the liability repayment/fulfillment, the same certificate repayment date.</i>
Application	<i>Signed application, or the approval verified in an electronic form, submitted by the persons wishing to purchase the certificate, through documentary, electronic, digital or other means, to the bank, a buyer agrees to purchase the certificate under the terms and conditions proposed by the bank.</i>
Information	<i>For the purposes of the agreement implies any and direct or indirect data related to the bank, customer, including the confidential and personal information, unless otherwise defined under the context.</i>
Third person	<i>Any person, who does not represent the party to the agreement</i>
Party	<i>Bank - JSC Kor Standard Bank, as the certificate issuer entity (emittant), or customer/owner, as an entity purchasing the cerificate (in accordance with one of the contexts)</i>
Parties	<i>Bank and customer/owner jointly</i>
Banking day	<i>Calendar day, except for the week-ends and the holidays established under the legislation of Georgia, when the bank is open and conducts the banking operations in an ordinary manner.</i>
Certificate	<i>In accordance with the terms and agreements of the Present agreement, the financial instrument(deposit) issued by the bank and purchased by the customer, which gives rise to rights and obligations specified in the Agreement. The certificate is not a security.</i>

Certificate issuance terms

Content features of the certificate, the same, key terms and conditions proposed by the bank, which are allocated at the bank's web-site (www.ksb.ge) and is available at the bank, forms the essential and integral part of the agreement, in which the certificate types, certificate unit quantity, term, interest indicator (profitability data) and other terms and conditions and which might be occasionally changed by the bank.

Sale of Certificate

Transfer of the certificate to a third person by the certificate holder under the terms and conditions stipulated by the agreement – assignment of the right of claim.

Amount of certificate

Purchase price of the issued certificate, in exchange for payment of which the customer obtains the certificate.

Nominal of Certificate

Amount features of the certificate, which is expressed or equal to the amount paid by the customer for purchase of the certificate, which does not include the certificate interest

Registry of Certificate

A kind of electronic database, which is independently maintained by the bank and in which the number of the issued certificates, terms, conditions, the information about their owner persons and other data are registered

Interest of certificate

The certificate interest payable by the bank in favor of the customer, which is paid through calculation of the annual interest indicated in the certificate at the end of the term in full (discount certificate) or on a monthly basis case by case(interest certificate)

Standard Certificate

Certificate issued by the bank, the terms and conditions of which comply with the standard deposit certificate terms and conditions established under the Decree # 49/04 issued by the NBG President on 3 May 2012 and does not define the terms and conditions different from it.

Agreement

This main agreement/key terms and conditions of the certificate, signed application presented by the customer to the bank, extract, , their annexes or/and the complex of any additional documents, allocated at the bank's web-site, which are related to certificate service and which forms the integral part of this main agreement.

Article 2. General Provisions

2.01 In this main agreement, unless otherwise requested under the context, the words in the singular form involve plural and visa versus, while the titles of the articles only make it convenient to read the text and does not change its content.

2.02 The venue of execution of the present agreement is the legal address of the bank.

2.03 Customer hereby conforms, that he is aware and agrees with the terms and conditions of the deposit certificate service and the bank's standard rates, commissions (if applicable) allocated at the bank's web-site: www.ksb.ge.

Article 3. Representations and warranties

3.01 The warranties and representations of this article are one of the significant basis of the fact, that the parties hereby agree upon the transaction and sign the agreement.

3.02 Customer hereby confirms that he has the relevant authority to conclude and sign the documents related to the deposit certificate. In addition, any necessary approval, permit, including the supervisory body, shareholder persons, has been duly accepted by the customer and he has obtained the relevant authority to conclude, observe and fulfil the terms and conditions of the agreement.

3.03 Customer hereby confirms and promises that:

- (a) he is the entitled and active person, the information provided by him to the bank is true, proper and comply with its true will;
- (b) Signing the agreement does not cause any breach of the other transaction terms signed by him;

(c) For the purpose of signing the agreement, no cheating, threat or any violent action has been applied by the bank;

(d) He is aware of the terms and conditions of the certificate offered by the bank.

3.04 Customer is aware that the bank accepts the representations warranties of this article and such one presents one of the key basis for the bank to establish relationships with the customer and sign the present transaction. Accordingly, breach of the representations and warranties creates sufficient legal ground for the bank to unilaterally refuse the agreement.

Article 4. Key Principles of certificate service (principles)

4.01 Approval of the buyer of the terms and conditions of the certificate and the main agreement is expressed by purchase of the certificate. In order to purchase the certificate, the customer is required to draft the application, submit to the bank and transfer of the nominal value of the certificate to the bank, as a result of which the agreement is considered to be signed and the data of the certificate holder are registered in the certificates registry.

4.02 Before purchase of the certificate and during the validity period of the agreement the customer/holder is obliged to maintain an active bank account at the bank. Purchase of the certificate, getting the benefit, redemption of certificate and repayment (encashment) shall be made through the mentioned account, the details of which are indicated in the registry.

4.03 Adding an amount to the certificate, partial repayment, partial sale and making amendments thereto are restricted.

4.04 Sale of a concrete certificate is only dependent upon the bank's will. Bank is authorized to refuse the customer, without any explanations, to purchase the certificate (not to meet the purchase application) or not to receive (not to register) the secondary sale agreement with the new buyer of certificate selected by the certificate holder, which might be proceeding from the restrictions under the applicable registration or the principles of the bank's internal policy.

4.05 During the validity period of the agreement, certificate holder is entitled to sell the certificate, through the bank's involvement, to any individual, however, without the bank's approval, in compliance with the terms and conditions of the agreement; The commission for sale of the certificate to a third person amounts to 0.1% of the certificate's nominal value.

4.06 Standard certificate is of the intangible form and the ownership of the certificate is proved under the record about the certificate holder registered in the certificates' registry existing in the bank, while the non-standard certificate might be available in a tangible form;

4.07 Any payment related to the standard certificate shall be made in GEL, through cashless payment;

4.08 One certificate shall be owned only by one holder. Certificate shall not be partly sold.

4.09 Terms and conditions for certificate issuance shall be/is published in advance and in a constant regime at the bank's web-site (www.ksb.ge) and shall be available for all the interested persons. Terms and conditions of the sold certificate shall not be changed.

4.10 Bank is entitled to dispose the amount of certificate at its own discretion.

4.11 Certificate may be used as the means of the claim security in accordance with the legislation of Georgia.

4.12 The interest is accrued on the certificate in accordance with the interest rate agreed between the parties,

(a) On a monthly basis, on the date of every following month, on which the certificate was signed (interest certificate). If the following calendar month does not contain the mentioned date, the interest accrual is made on the last banking day of the mentioned month.

(b) On the last banking day of the certificate maturity completion (discount certificate).

(c) In case if the date of payment on any liability coincides with a non-banking day, payment shall be made on the next banking day.

4.13 Interest accrual and the certificate repayment (encashment) is made through the current bank account of the certificate holder.

Article 5. Purchase of certificate, secondary sale, redemption before the due date, repayment (encashment)

Purchase of certificate:

5.01 Before purchase of the certificate, customer shall have an active bank account at the JSC Kor Standard Bank and be aware of the deposit certificate service terms and conditions allocated at the bank's web-site (www.ksb.ge).

5.02 For the purpose of purchase of the certificate, customer makes an application to the bank and within the framework of the certificate issuance terms and conditions, presents the acceptable (selected) concrete terms and conditions of the certificate to the bank.

5.03 In case of meeting the application, customer shall pay the agreed amount to the bank through cashless payment, while signing the agreement is expressed through the extract issued to him.

5.04 Terms and conditions of the certificate purchased by the customer/holder are registered in the certificates' registry. Customer is entitled to receive the extract in a documentary form, as well as electronically in accordance with the rule established by the bank.

Secondary sale of the certificate

5.05 During the validity period of the agreement, owner is entitled to sell the certificate. Certificate may be sold at any time of the agreement validity period, to a bank) redemption before the due date), as well as to a third person (secondary sale). Certificate may be sold many times by every new holder.

5.06 In case of sale of the certificate to a third person, certificate holder is entitled to seek for the buyer by himself or through the bank's mediation, as well as a third person interested in the purchase of the secondary certificate, is entitled to apply to the bank through the application for purchase from the already issued concrete certificate holder.

5.07 Presenting the application for sale of certificate or its purchase from a third person does not make it binding for the bank to seek for the persons wishing to purchase or sell the certificate. In any case, secondary sale/purchase by a third person of the certificate shall not be allowed without involvement of the bank, at which time the bank ensures the compliance of the relationships arising between the parties to the transaction with the rules established by the bank and parallel reflection of the transaction results in the certificate registry.

5.08 In case of sale of every certificate, certificate holder or buyer is obliged to pay the fee for secondary sale of the certificate to the bank, the amount of which is indicated in the certificate.

5.09 In case of secondary sale of certificate, deposit certificate service terms and conditions defined by the bank are fully applicable for the certificate buyer. In case of sale of every certificate, those terms and conditions of the certificate are unchangeably transferred onto the certificate buyer, under which terms and conditions it belonged to the certificate holder. Change of the certificate terms and conditions or partial sale shall not be allowed.

5.10 In case of sale of the certificate, when the non-interest income is received in the form of the price gap(initial purchase and sale price), certificate holder is obliged and responsible to declare the income generated through the price gap, by himself, or/and pay the relevant fee in compliance with the legislation of Georgia.

Redemption of certificate by the bank before the due date certificate repayment (encashment)

5.11 During the validity period of the agreement, bank is entitled to purchase the certificate, redeem the certificate before the due date from the holder, by payment of the pre-defined fee under the terms and conditions of the certificate issuance terms and conditions, or different from it (in case if the parties agree upon the new fee). In addition, certificate redemption before the due date represents the bank's authority, not the bank's liability.

5.12 When the certificate validity is due under the certificate issuance terms and conditions, for the purpose of the certificate repayment (encashment), bank will transfer the amount fixed under the certificate issuance terms and conditions to the bank account of the certificate holder. Bank shall not be held responsible for the existing restrictions (collections, liens etc.) on the current bank account of the holder.

5.13 By redemption of the certificate by the bank before the due date and repayment of the certificate the agreement is terminated and the interest will no longer be accrued.

Article 6. Validity of agreement and termination of agreement

6.01 The agreement comes into force from the day of purchase of the certificate by the customer and remains valid until the obligations undertaken by the party in due and bona fide manner.

6.02 The agreement is terminated before the due date by sale of the certificate by the owner for the second time or in case if the certificate is redeemed by the bank before expiry of the validity of the certificate.

6.03 Under the terms and conditions for certificate issuance, expiry of the term agreed between the parties does not exempt the parties from fulfillment of the obligations undertaken in accordance with the agreement.

6.04 Parties are obliged to meet the terms and conditions established under the Article 7 of this agreement even after expiry of validity of the agreement, in accordance with the rule established under the legislation of Georgia.

Article 7. Confidentiality

Each party undertakes to strictly keep confidentiality of the financial, commercial and other types of information received from another party. Transfer of such information to a third party can be made under the written approval on both parties or in the cases stipulated by the stipulated by the legislation of Georgia.

Article 8. Right to receive the funds without the rule of acceptance

Customer agrees and the bank is entitled to deduct any amount from bank account(s) of the customer payable to the bank, without the rule of acceptance, in case of claimt, as well as on the date of the concrete liability repayment. In addition, in case of deduction of any payable amount, when the relevant currency is not available, bank is entitled, at its descretion, to convert te relevant amount under the commecial exchange rate fixed on the day of deduction and receive the relevant amount equivalent to the outstanding liability.

Article 9. Notifications

9.01 Parties shall make any notification in a written form. Such a notification is considered to be duly sent, if it is signed by the party and delivered to the other party.

9.02 For the purposes of this article, the notice is considered to be received even in the case, if the aggresse refuses to receive the notice, or avoids to receive it, or it is impossible to serve the notice to the location of the addressee, due to absence of addressee more than once.

9.03 Bank is entitled to send the notice to the customer through one of the below listed means:

- (a) In a written form – by sending a letter to the address provided to the bank or the other known address. In addition, the bank is entitled to seek for the alternative address (civil/registered in the Civil Registry or other) of the certificate holder and send the notice to the sought address. In case of serving the written notice, bank is entitled to serve the notice to the any person residing at the sent address, despite of the content of the notice;
- (b) In an electronic form – to the electronic address known to the bank or by sending notice through the internet bank of the holder;
- (c) Through telephone – to the phone number delivered by the holder to the bank or/and through the use of the alternative telephone number sought for by the bank.

10.04 A party is obliged to notify another party within 5(five) business days about the registstered or de facto address, E-mal, telephone number or/and change to the registration-mandatory facts. Bank will use the information for any notice and correspondence before it receives, which is known to it from the customer, before the bank receives the notice of the customer.

Article 10. Force Majeure

A prty is not held responsible for non-fulfillment of improper fulfillment of the liabilities undertaken in accordance with this agreement, if the aforementioned is caused due to force majeure event(s). The condition for fulfillment of the outstyaning liability will be resumed immediately upon eradication of force majeure event(s).

Article 11. Commission and Cost

Bank is entitled to get the customer pay the commission defined under the certificate issuance terms and conditions. Payment of commission, a a rule, is made in advance, as soon asit arises, unless otherwise established under the agreement or additional agreement.

Article 12. Applicable Law and Settlement of Disputes

12.01 The agreement has been drawn up in accordance with the applicable Georgian law and the legislation of Georgia is applicable for it. The relationship, which is not regulated under the agreement, is regulated under the applicable legislation of Georgia.

12.02 In case of recongnition as a void, invalid on the basis of the article(s), paragrap(s) and sun-paragrap(s) of the agreement, remainder article(s), paragrap(s) and sun-paragrap(s) maintainn vality.

12.03 Certificate holder is authorized, in case of any claim regarding the certificate service, within 30(thirty) calendar days from arising the claim, to notify the bank in a written form with regard to the aforementioned.

12.04 Any dispute arising between the parties shall be addressed through mutual negotiation. In case if parties fail to reach the agreement, the dispute will be discussed by the authorized court of Georgia. Parties hereby agree that the decision made by the 1st instance court related to the dispute, in favor of the bank, shall be immediately enforced.

Article 13. Other Provisions

13.01 Any waiver by the bank does not present the waiver by the bank to this right.

13.02 The rights and obligations arising from the agreement shall be fully applicable for the legal successor and assignee.

13.03 Agreement and certificate have been drafted and published (at the bank's web-site) in the Georgian and English languages and in case if one of the parties to the agreement cannot speak or/and write Georgian, or English, the agreement may be drafted and concluded in the language he/she understands. Regarding the translation of the agreement, Georgia language version prevails and in case of using of any explanation or interpretation, Georgian language version of the agreement, certificate shall be applied.