

## **Credit Agreement**

### **Article 1. Main conditions of credit relations/Agreement**

- 1.1. Based on this Agreement the Client can use consumer loan (referred to as “**Loan**”).
- 1.2. Client must submit to the Bank the application in order to receive the loan (its acceptable to submit application with electronic means of communication) or agree with Bank’s proposal (it acceptable to agree to proposal with electronic means of communication). The bank shall consider the application of the Client and shall decide to approve or deny the request for issuing the loan (the bank is not obliged to comment on the reasons of denial).
- 1.3. After receiving the loan the Client (borrower) shall be obliged to return it and pay the interest fee as per the conditions agreed with the Bank. Accrual of interest fee to the loan is carried out daily, along with that amount of days is defined as 30 (thirty) per month. Accrual of interest fee starts from the day of placing loan amount on Client’s Account.
- 1.4. Financial obligations of the Client are generally performed with funds accumulated on his/her account(s).
- 1.5. If the Client has no current account, application on loan shall be deemed at the same time as application on opening of a current account and the Bank shall open current account for the Client prior to loan issuing.
- 1.6. The amount that is transferred to the Bank by the Client for loan repayment or the amount existing on the Client’s account shall be used to pay off insurance premium first (if such exist), after that late payment penalty (if such exist), than the interest fee, and finally the initial amount of the loan.
- 1.7. The Client authorizes the bank on the following:
  - 1.7.1. Change the regulation provide in paragraph „1.6.” of this Agreement;
  - 1.7.2. Bank determines the sequence (priority) of implementation of Client’s obligations at his discretion, namely the bank can unilaterally decide on what sum (amount) and which indebtedness is to be paid off by the Client from the amount(s) given to the Bank by the Client or the amount(s) on the Client’s account(s), meaning that the Client will grant the Bank the authority to determine on the Client’s behalf the sequence (priority) of implementation of obligations by the Client.
- 1.8. In the event of failure to pay monthly payments on time the Client is obliged to pay to the bank the delayed payment fee, whether fixed or on daily basis, which amount shall be determined in accordance with tariffs existing at the bank at the time of the occurred delay.
- 1.9. Penalty shall not apply to credit product, if the date of depositing the amount (payment) coincide with non-banking day. In this case, The Client will be liable to deposit the payable amount (to pay) on the relevant account on the next banking day.
- 1.10. If the Client does not cover the credit obtained through used credit product, accrued interest, fines (if any), insurance premium within the term agreed with the Bank or fails to pay on time any commission determined by the Bank, the Bank is entitled:
  - 1.10.1. for satisfying it's claim by way of realization any of the Client’s assets;
  - 1.10.2. to request at any time to conclude with Client mortgage or pledge Agreement in order to secure the payment of liabilities incurred by way of credit line (in such event the the Client shall execute the relevant agreement in no later than 5 (five) working days from the request. Subject to the Agreement the Client shall mortgage or pledge the property subject to transfer of title thereupon to the bank, which shall not have a value less than aggregate amount of used loan, accrued interest and fines and shall provide the registrations of the bank’s rights at the Public Registry. Expenses for execution of the agreement(s) and registrations of relevant rights shall be borne by the Client);
  - 1.10.3. to require the transferring of the object of mortgage and/or pledge and after such transfer, assign the object of mortgage and/or pledge through direct sale or in any other manner prescribed by the Civil Code of Georgia, and after payment of all the costs related to sale, use the obtained amount for disbursement of funds under credit. If the funds obtained from the sale of the object of pledge cannot fully pay the Client's indebtedness, the Bank may apply execution upon a Client’s property (any thing and intangible property of the Client);
- 1.11. In case the Client fails to pay monthly payments, accrued interest, fines or insurance premiums on time or in the event of any other material grounds the Bank shall have the right to terminate unilaterally the credit relations and request the Client payment of all outstanding credits together with associated payables (interests, fines, etc.).
- 1.12. The Client can make early repayment (including early complete or partial return and/or refinancing) of the credit by submitting the relevant written notification to the Bank in 10 (ten) calendar days prior to estimated payment date and upon receipt of consent from the bank to that effect.
- 1.13. In case of early payment of the part of the loan the Bank shall be authorized to change automatically schedule (draft a new schedule) of loan payment and in this case the Client is obliged to pay off the loan according to the newly created schedule of the Bank. If the loan repayment schedule is not changed by the Bank the Client shall be obliged to continue paying off the loan as per existing schedule regardless the prepayments already made.
- 1.14. In the event of submission of application on early payment, the Client is obliged further supply the Bank with all necessary information/documents directly or indirectly proving with the ability to determine the fact of refinancing or absence of other refinancing arrangements.
- 1.15. In the event the agreement provides for refinancing fees and the Bank suspects the fact of a possible refinancing of such credit, the Bank shall have the right to request at any time from the Client the delivery of any kind of information/documents within no later than 2 (two) banking days from the date of the receipt of the Client’s application of advance payment of the credit.
- 1.16. As refinancing of credit will be deemed an early payment (payment before the agreed term) of the credit issued at JSC “BasisBank” carried out directly and/or indirectly, personally and/or through other person(s) by way of the funds obtained from any other financial institution (commercial bank, microfinance organization, credit union and/or other entities).
- 1.17. Parties hereby agree on following:
  - 1.17.1. the Bank is not obliged to prove the fact of refinancing and shall have the right to make decision to impose the refinancing fee and/or relevant commission to the Client on the basis of information held by the Bank derived from any kind of source whatever. That means that Client shall bear the burden of proof on the absence of the refinancing;
  - 1.17.2. fees and/or commissions on refinancing and early payment shall be determined by the conditions agreed between the parties;

1.17.3. If the Client proves the non-existence of refinancing through the court, the bank shall be under obligation to reimburse to the Client solely the commissions and/or fees deducted without acceptance from the Client. The Client hereby waives his/her right of claim in connection with the damage occurred as a result of the Bank's actions (in breach of the Bank's obligations hereunder).

1.18. In the event the Bank request the client a submission of an insurance policy in connection with the use of a credit product, the Client will be obliged:

1.18.1. to execute an insurance agreement with any person acceptable to the Bank in accordance with the pre-determined conditions and rates of such provider;

1.18.2. to carry out the insurance in accordance with the requirements of the Bank;

1.18.3. to indicate the Bank as a sole beneficiary in the insurance policy.

1.19. in the event of significant material deterioration of the terms of insurance or increase of insurance fees the Client shall have the right to request the Bank in writing for cancellation of the mandatory insurance requirement. The Bank shall make decision on above cancellation unilaterally taking in consideration its credit rules and policies.

1.20. The Client hereby consents to the right of the Bank to deduct from any account of the Client the insurance premium subject to monthly payment for the benefit of insurer (insurance company). If the liabilities are fixed in a currency different from a national currency the equivalent amount is fixed according the exchange rate set in the Bank on the day of writing off the amount.

1.21. the Client empowers the Bank with unconditional right and without prior consent to provide to the guarantor(s) and/or the pledger/mortgagor securing the financial liabilities of the Client hereunder with the information on Client's liabilities to the Bank secured directly by the guarantee and/or pledged/mortgaged property of such person to whom the information is submitted.

1.22. In accordance with the agreement made between the Bank and Credit Bureau (referred to as the "Bureau"), the Bank is entitled:

1.22.1. to provide the Bureau with the negative and/or positive information with regard to the Client. The Client thereupon be recorded in the database of the Bureau;

1.22.2. to acquaint himself with the information recorded at the Bureau database on the client (including, with the client's credit history).

1.23. For the purpose of decision to be made with regard to the Client's credit and/or performing the liabilities of the Client towards the Bank (including repayment of the credit), the Bank is entitled to request and obtain any kind of private information on the client through third person(s) and administrative authorities.

1.24. In case the Client violates any commitment under the agreement with the Bank, or if it is necessary to protect business reputation of the Bank and/or its legal interests, the Bank shall be entitled to submit to the court/arbitration/National Bureau of Enforcement the information about the Client and/or use it like any document signed by the Client.

1.25. The Bank is entitled:

1.25.1. Write off the amounts from any account of the Client without acceptance at any time without Client's further consent for the purpose of fulfillment of any obligation before the Bank and after arising of such an obligation. If indebtedness is set in a currency different from the currency of the sum on the account, the equivalent shall be determined by exchange rate set by the bank for the moment of the write-off;

1.25.2. Transfer service fees payable to the National Agency of Civil Registry, Service Agency of the MIA and/or other administrative authorities and/or other fees related to loan issuance (including insurance premium) from any account of the Client to the account of the corresponding person without Client's subsequent approval (without acceptance);

1.25.3. Pursuant to this Agreement, in case of fourteen (14) days overdue of the scheduled payments of the credit product(s) received /receivable by a client under this Agreement, the Bank shall send this information to the persons ( family members, referees and so on) indicated by the client in the credit application, as well as to those individuals who have any kind of ( direct or indirect) connection to the client, upon which the client shall give his/her consent in advance.

## **Article 2. Conditions of termination of credit relations/Agreement.**

2.1. Bank is entitled to terminate current credit relations with the Client and/or the validity of any, several or all additional agreements and/or require the Client to refund the initial, interest and penalties (if such exists) if any of following circumstances are taking place:

2.1.1. Client breaks any obligation either under this agreement, or any additional contract signed on the basis of this agreement or any document signed with the bank;

2.1.2. Client violates payment commitments under the schedule attached to any additional agreement signed on the basis of present agreement;

2.1.3. Any precondition, additional condition and/or the claim of the Bank made to the Client is not fulfilled (violated);

2.1.4. The Client violates the purpose of the loan;

2.1.5. Client's capital reduces significantly;

2.1.6. Significant changes take place in the property of the Client without prior written consent of the Bank;

2.1.7. Taking place deterioration of financial and/or property condition of the Client's, his Guarantors, any part of any contract signed as collateral of this agreement or comes the risk of such deterioration;

2.1.8. Any party to the contract signed for securing this agreement, or its successor, violates any provision of the corresponding agreement;

2.1.9. Collateral(s) of this agreement are destroyed, damaged and/or depreciated for which the bank shall not become liable;

2.1.10. litigation procedures will be commenced against the Client;

2.1.11. Any banking account or property (any item or non material property) of the Client is arrested or any action is made towards the property of the Client to enforce the claim, decision and/or tax liabilities;;

2.1.12. Any rights, obligations and/or limitations (including tax lien/mortgage, arrest, and etc.) are enacted against any property of the Client being encumbered with collateral interest or mortgage for the purpose of securing this agreement, and/or any item and/or non material property of the Client;

2.1.13. There is an insolvency risk against the Client, his Guarantor or any party of any contract signed for securing present agreement;

2.1.14. Any authorized body deprives Client of any asset or its significant part, or performs nationalization of such an asset or is taking place any other form of expropriation ;

2.1.15. Any application and/or information submitted to the Bank by the Client turns out to be significantly wrong or incorrect (untrue);

2.1.16. Client commits any action which aims to misleading the Bank;

2.1.17. Any circumstances that may entail risk against the fulfillment of any obligation(s) of the Client, his/her surety, or the party to any contract signed for securing this agreement, or timely payments by the Client.

2.2. The Client is obliged to notify the Bank immediately whenever any of the circumstances listed in the subparagraphs “2.1.1.-2.1.17.” are taking place;

2.3. In cases described in the paragraph “2.1” of this agreement (regardless of whether any of the circumstances listed in the paragraph “2.1” of this agreement is taking places due to Client’s fault) the Client shall be obliged to return immediately (or within the period defined by the Bank) the initial amount to the Bank together with the interest accrued, penalties (if such exists) and fulfill all financial commitments undertaken before the Bank.

### **Article 3. The term of Agreement and other conditions.**

3.1. Present Agreement comes into force upon confirmation of Client to join it (its acceptable to confirm joining to the Agreement by communication electronical facility(ies) and is valid up to the complete implementation by parties of their obligations.

3.2. Text of present Agreement is available at official web-page of the Bank <http://www.basisbank.ge/agreements/>, the signed version will be transferred to the Client upon request.

3.3 . Invalidity and/or termination of some items of the Agreement does not entail the invalidity or termination of the Agreement in the whole.

3.4. Any notification is performed in written or with other form, concerned by present agreement. Written notification should be delivered to the party to the recent known address. Bank can use for notification other communicative facilities (including electronical, digital, telephone etc.). official web-page of the Bank – [www.basisbank.ge](http://www.basisbank.ge) ect.)

3.5. The Bank is entitled to make changes (amendments) to the content of the present Agreement through 14 (fourteen) calendar days prior placement of the relevant changes (amendments) on the official web-page of the bank: [www.basisbank.ge](http://www.basisbank.ge) or/and at the premises of the bank’s branches and service centers. The Client shall have the right to terminate the present Agreement at any time within 14 (fourteen) calendar days from the date of placement the respective information on the Bank’s web-page and/or at the premises of the Bank’s branches and service centers. In case of exercising the right granted by this paragraph, the Client will be obliged to return the credit received under this agreement and pay to the Bank all commission fees, interest rates, penalties and other payables related to the services under this agreement within 5 (five) calendar days upon providing the Bank the written notice regarding termination of the Agreement.

3.6. Parties undertake to solve any possible disputes and disagreements arising from this agreement by means of negotiations. Otherwise the dispute between the parties will be considered by the City Court of Tbilisi in compliance with current legislation of Georgia. By present Agreement the parties agree that in accordance with Article 268 of Civil Procedure Code of Georgia one prima part, the decision (including order of payment) received by the first instance Court related to disputes arised from the present Agreement must be carried out undeviatingly.

3.7. Parties agree that protected information placed on official web-page of the bank and/or in data base of the bank (software program) and electronic or printed version of this information, certified by Director of the Bank or authorised person have legal force related to relationships arisen from the present Agreement, for the purpose of confirming existing/non existing of facts.

3.8. As a collateral for implementation of present Agreement the Bank is performing taking the subject of hypothec/pledge under its property or its realization and by the moment of taking the subject of hypothec/pledge under its property the value of the subject of hypothec/pledge is secured with less than required volume or if the sum received as a result of realisation of subject of hypothec/pledge will be not sufficient for the complete coverage of collateral claim, the collateral claim is deemed to be satisfied with equal cost of subject of hypothec/pledge or equal amount get from the realization of subject of hypothec/pledge.

3.9. Relationships that are not regulated by this Agreement shall be governed by the Laws of Georgia.