

Regulations and Terms of Currency Operations Services

The purpose of the present document is to describe basic regulations and terms related to currency transactions between the client and JSC Pasha Bank Georgia (hereafter “bank” or “market participant”).

For the purpose of development of the efficient, fair, open and transparent market, in relation with the client, the bank abides by the general regulations on activities at the currency market, effective legislation, regulations set forth by Resolution N 142/04 of the NBG President dated July 21, 2020 and N 141/04 on “Approval of electronic trading of currency using Blumberg trading system” and FX global code (hereafter FX Code). The parties support the best industrial practices, among the methods set forth in FX Code.

Generally, in connection with the foreign exchange transactions described by these rules, a contract / agreement is concluded between the market participant and the client, after which the client's request/assignment is performed. A contract / agreement can also be concluded without signing a specific document, by performing the client's request/assignment by the market participant.

In case of any discrepancy between any agreement and the conditions specified in these rules and / or any condition declared by the Bank to the client and the conditions specified in these rules, the conditions specified in the agreement and / or declared by the bank to the client shall prevail.

Communication with the Client and Conditions

Communication between the market participant and the client is exercised both electronically (secured remote channels, email registered at the bank, internet banking notifications) and verbally (by telephone, however the transaction is confirmed by the notification received in the internet banking) or other media agreed by and between the parties.

The bank establishes communication with the client clearly and professionally, in a manner that does not intentionally cause misconception to the client. In the course of communication, the bank may introduce to the client general market trends, general information existing on the currency market, by protecting confidentiality, what does not allow to identify particular individual or particular transaction. The bank does not restrict the client to address the other market participant for the purpose to enter into currency transactions or receive services.

According to the law, the bank shall store electronic communication, which is related to or could be related to processing and/or enforcement of currency transactions and the application. Records shall be stored electronically for 6 years after completion of the transaction. Information obtained in the scope of the indicated relations, identification data, also data on transaction and its enforcement, use

of which is restricted, is considered as confidential and its disclosure is prohibited, unless otherwise established by the law.

Conditions of Trading with the Client and Execution of the Transaction

Principal Trader

Client may enter into the currency transaction with the bank as a contractor: request spot, forward or swap transaction rate and agree desired terms – the bank acts only as a principal trader and enters into transaction with the client on own behalf and at own risk. The bank does not participate in transactions as an agent trader.

For the purpose to agree spot, forward or swap currency transaction rate and other terms the client should specify the currency pair of the transaction, amount of currency to be purchased/sold and currency and monetary backing date(s). Due to currency market specifics, rate which is offered by the bank as a principal trader to the client may rapidly change. Therefore, the agreed rate will be applicable only for immediate execution (agreement) and the bank shall not be responsible to make such rate available to the client in the future as well. In case the rate suggested by the bank is acceptable, the client should express consent immediately (through internet banking) which will be considered as agreement to the conversion terms.

As a principal trader, while pricing the bank envisages factors as liquidity existing at the market for particular type of transaction, amount of transaction, bank's profit, credit and currency risk, operational costs of trading etc. The market participant confirms that pricing is fair and reasonable, corresponds with economic expenses of subject service and risks assumed by the currency market participant.

Forward and swap transactions rate pricing is based on their effective term and current exchange rate of particular currency pair which is adjusted according to the difference between the interest rates of the respective currencies and client's credit risk. The bank is entitled to refuse to accept and process client's request unless otherwise determined by the law.

When entering into transaction, market participant does not act as the person trusted by the client or as an advisor, except for the cases when such relation is pre-agreed in writing between the parties. Any transaction is performed under the assumption that the client may act independently, make decisions based on own knowledge, experience and professional advice of any third person, which is based, among them, on aspects related to financial, legal, accounting or tax issues.

The bank does not exercise actions which are prohibited or restricted by the law. The bank does not pre-trade, does not exercise actions which are aimed at intentional manipulation with market prices, among them manipulation with the official exchange rate.

Disputes

In case of violation of the conditions established by the present document or in case of undue performance, the client is authorized to address relevant structural unit of the market participant, by submitting written application to the bank's service centers –

or by dialing telephone number: +995 322 265 000

or dialing NBG hotline - 032 2 406 406

In case of failure to reach agreement between the parties, the dispute shall be resolved by Tbilisi city court consistent with effective Georgian legislation.

Changes

Any changes made by the bank to these rules shall be effective after 10 days of its publication on the web-page: <https://www.pashabank.ge>