

APPENDIX No. 2
to the Agreement for Comprehensive Banking Services for
Legal Entities and Individual Entrepreneurs in JSCB
Kapitalbank

PROCEDURE
for opening, servicing and closing of demand deposit account
in a foreign currency

I. SUPPLEMENTARY TERMS AND DEFINITIONS:

1.1. The following terms and definitions shall be used in this Procedure:

Monetary Funds - funds in a foreign currency;

Procedure this Procedure for opening, servicing and closing of the bank account in a foreign currency. This Procedure is posted on the Bank's Website;

Account – deposit account in a foreign currency opened by the Bank to the Client on the basis of an Application or a Client's Account Opening Application, where the Client's Funds are kept on record, disbursed or transferred upon his first demand.

Sanctions - collective or unilateral coercive measures of economic or other nature applied by decision of states or international organizations to states, organizations, or individuals and legal entities.

Sanctions List - states, organizations, or individuals and legal entities sanctioned by the UN Security Council, the European Union, and the Office of Foreign Assets Control (OFAC), a subdivision of the US Department of the Treasury or other states and international organizations which may impose sanctions on the Bank, directly or indirectly threatening the Bank's functioning.

1.2. Other terms and definitions used in this Procedure have the same meaning as in the Agreement.

II. GENERAL PROVISIONS

2.1. This Procedure becomes binding on the Parties (enters into force) on the basis of the Application signed by the Client in his own hand or EDS and governs the relations involving opening of the Account for the Client, the acceptance and crediting of Funds received on the Account, the transfer and payment of Funds from the Account, the provision of cash services, operations on the over-the-counter foreign exchange market, as well as the conducting (execution) of other transactions on the account in accordance with the procedure provided for by the Current Legislation of the Republic of Uzbekistan and this Procedure.

2.2. This Procedure, the Agreement, the Bank's Tariffs, the Application, the Public Offer and the Application for Opening an Account collectively constitute a Bank Account Agreement in a foreign currency concluded between the Client and the Bank (hereinafter referred to as the "Agreement").

III. OBLIGATIONS OF THE PARTIES

3.1. The Bank is obliged to:

3.1.1. provide comprehensive cash and settlement services to the Client and to carry out on the Client's instruction all settlement and cash transactions in foreign currency, stipulated by the current legislation and regulations of the Central Bank of the Republic of Uzbekistan, including:

- carry out currency transactions on the Client's Account in accordance with the current legislation of the Republic of Uzbekistan;

- execute the Client's instructions on transferring funds from one Account belonging to him to another and accounts of other persons in accordance with the legislation of the Republic of Uzbekistan;

- pay for settlement documents in accordance with the legislation of the Republic of Uzbekistan;

- credit funds received on the Client's Accounts in accordance with the legislation of the Republic of Uzbekistan;

- accept from and giving out to Client cash in foreign currency in cases provided for in accordance with the current legislation of the Republic of Uzbekistan;

- monitor the Client's export-import and barter contracts in accordance with the current legislation of the Republic of Uzbekistan;

- conduct operations on the over-the-counter foreign exchange market in accordance with the terms and conditions of this Procedure;

- provide other services that are not directly related to cash and settlement services (lending, factoring, leasing, swap, letters of credit and other currency transactions) on the basis of separate agreements with the Client;

3.1.2. serve Client on acceptance and sending of payments at a certain time from 9-00 to 16-00 hours (except weekends and holidays (non-working days)). Services that are not related to payments and cash transactions shall be performed throughout the banking (operational) day;

3.1.4. perform settlement transactions under the instruction of the Client in strict compliance with the legislation of the Republic of Uzbekistan. Funds shall be debited from the Client's account under his instruction not later than the day following the day of receipt of payment documents by the Bank. Funds may be debited from the Client's account without his consent in cases stipulated by the legislation of the Republic of Uzbekistan;

3.1.4. verify the correctness of all necessary details when accepting settlement documents and ensure that funds are credited for their intended purpose;

3.1.5. accept cash proceeds in accordance with cash management rules in commercial banking institutions of the Republic of Uzbekistan;

3.1.6. provide the Client with cash and settlement documents: foreign currency cash deposit notices and other bank forms, as well as at the request of the Client issue account statements with necessary documents attached to his authorized representative;

3.1.7. advise the Client on the issues of settlements, banking techniques, document management rules and other issues of currency regulation;

3.1.8. ensure the safety of Funds entrusted to the Bank;

3.1.9. search for the Client's financial funds that have not been received for their intended purpose upon the Client's order;

3.1.10. carry out transactions for the sale and purchase of foreign currency at the currency exchange of the Republic of Uzbekistan in accordance with the Rules of Currency Transactions in the Republic of Uzbekistan, approved by Appendix No. 1 to the Resolution of the Board of the Central Bank of the Republic of Uzbekistan dated 29.08.2020 No.18/5, registered by the Ministry of Justice of the Republic of Uzbekistan on 31.08.2020. N 3281.

3.2. A Client is obliged to:

3.2.1. submit to the Bank all documents required for Accounts opening and maintaining;

3.2.2. comply with the Bank's established working mode, procedure for execution and submission of payment documents, as well as to fulfill the requirements of the legislation of the Republic of Uzbekistan and regulations/decisions of the Central Bank of the Republic of Uzbekistan;

3.2.3. pay for the Bank's cash settlement services according to the rules established by this Procedure;

3.2.4. notify the Bank on receipt of erroneously credited funds to the Account within 2 (two) business days starting from the day:

- of receipt of the account statement (or receiving information about the status of his account) or;
- execution of the first debiting transaction from the Account after the receipt of other's funds on the Account;

3.2.5. submit documents and information on export-import and other transactions performed in accordance with the concluded agreements with foreign countries' entities, as well as, if necessary, other information required by the Bank for fulfillment of the tasks assigned to it;

3.2.6. bear full responsibility for providing unreliable information and documents regarding its activities and transactions.

3.2.7. upon the request of the Bank provide information on export-import and other transactions carried out under the concluded agreements with the entities of foreign states, as well as, if necessary, other information necessary for the Bank to perform the tasks assigned to it, including with regard to fulfillment of obligations stipulated by the legislation on counteraction to legalization of proceeds from criminal activities and terrorism financing;

3.2.8. do not use the Bank account(s) for conducting Transactions (including those involving international settlements by the Bank) that:

- may cause losses to the Bank and/or the Client, other negative consequences, including application of sanctions to the Client (its funds) and/or the Bank by competent governmental and/or financial organizations, including in connection with the restrictions imposed on the Client (its funds) by the Current legislation and/or legislation of foreign countries, international legal acts, court decisions and decisions of other competent authorities;

- if the Recipient of the funds or the beneficiary is a person or party included in the sanctions lists;

- contradict the Current legislation and the requirements of the local acts of JSCB Kapitalbank;

3.2.9. bear responsibility (including financial responsibility) that its foreign partner under a foreign trade contract or the beneficial owner of the foreign partner is not related to the sanctions lists, as well as transactions and supply channels are not related to to sanctioned countries and geographical regions that are the targets of sanctions;

3.2.10. take the following actions to comply with the blocking sanctions lists of the United States, the EU and the United Kingdom, as well as the Rules of Export Control of the United States:

- carry out regular (at least once a quarter) monitoring of sanctions risks in relation to themselves, their counterparties, beneficiaries and business transactions;

- inform the Bank immediately (not later than one business day) on the revealed sanctions risks or the threat of their occurrence;
- submit, upon request of the Bank, the documents confirming the conduction of sanctions monitoring;
- reimburse the Bank in full for all costs and losses incurred as a result of violating the sanctions clause, including the costs of legal assistance and advise;
- observe strict confidentiality when exchanging information on sanctions risks;
- comply with any additional requirements and restrictions that may be established by the Bank in connection with changes in sanctions legislation or the emergence of new sanctions risks.

3.2.10.1. A Client hereby unconditionally confirms and guarantees that:

a) all counterparties under the foreign trade contracts (agreements), including their participants/shareholders/ultimate beneficiaries and controlling persons, are not and will not be on the sanctions lists, including, but not limited to:

- SDN List (USA);
- US blocking lists;
- EU sanctions lists;
- UK sanctions lists;
- other applicable sanctions and restrictive lists.

b) goods purchased under foreign trade contracts (agreements):

- will not be resold, supplied, exported and/or transported to any company included in the blocking sanctions lists of the United States, the EU and the United Kingdom or used for purposes prohibited by export controls of the United States and the EU;

- will not be resold or supplied in violation of US Export Control Rules, will not be resold, supplied, exported and/or transported to companies involved in or otherwise associated with the Russian military-industrial complex and defence industrial sector or otherwise contribute to strengthening the military-industrial base of Russia;

c) Will be responsible (including financially) that products, goods, work, services, and transactions (including freight forwarding, transportation, and charter (affreightment) contracts transactions when the forwarder, carrier, and charterer provide services related to transit and transportation) are not directly or indirectly related to sanctioned countries and lists.

A Client (being the buyer) is aware of the restrictions imposed by the Export Control Rules of the United States, the EU and the United Kingdom on the use and transfer of supplied goods, services, technologies or software, or any item of American origin, or goods with an American component or intellectual property rights of the United States or the EU, delivered to Russia in violation of the Export Control Rules of the United States, the EU and the UK. If the Client becomes aware of any changes in the above-mentioned, he undertakes to notify the Bank of such changes promptly.

3.3. The Parties shall be obliged to observe confidentiality and not to disseminate information without written consent of the other Party, except for cases stipulated by the legislation of the Republic of Uzbekistan.

3.4. The Parties may have other obligations stipulated by the legislation of the Republic of Uzbekistan and the Agreement.

IV. RIGHTS OF THE PARTIES

4.1. The Bank has the right to:

4.1.1. upon revealing the violations of the settlement procedure established by the current legislation of the Republic of Uzbekistan, regulations/decisions of the Central Bank of the Republic of Uzbekistan, local documents of JSCB Kapitalbank, as well as violations of the procedure for processing and timely provision of payment documents by the Client, the Bank takes measures to suspend the transaction, that is, refuses to make a payment contrary to the legislation of the Republic of Uzbekistan and suspends its execution;

4.1.2. use the Client's available Funds as resources, ensuring the safety and free disposal of the Client's own funds;

4.1.3. in fulfillment of the tax authority's submission to sell foreign currency funds at the Uzbek Republican Currency Exchange at the exchange rate on the day of sale, without the Client's consent, in the amounts necessary for repayment of debts to the budget, and transfer the sum equivalent to the demand deposit account in the Client's national currency in accordance with the Procedure for repayment of liabilities to the budget by economic entities with funds on accounts in foreign currency, registered by the Ministry of Justice of the Republic of Uzbekistan;

4.1.4. refuse to conclude ACBS and Contracts or unilaterally refuse (in full or in part) to fulfill ACBS and Contract with a legal entity - resident of a foreign country in case of its refusal to provide information and documents confirming or refuting that it is a resident of a foreign country and/or tax payment obligations to a foreign country and/or reducing the balance of funds in foreign currency accounts, demand accounts (deposits) in foreign currency (except for term and savings deposits) provided for by the Bank's Tariffs.

4.1.5. unilaterally:

4.1.5.1. refuse to conclude ACBS and/or Contracts or refuse (in full or in part) to fulfill ACBS and/or Contract (terminate) or suspend the relevant Client's Transactions (except for transactions on crediting funds received to the Client's account, which is on the List of Persons) and/or block (freeze) funds on the Client's Account - if the Client is on the List of Persons;

4.1.5.2. refuse to conclude ACBS and/or Contract or refuse (in whole or in part) to fulfill ACBS and/or Contract (terminate), suspend the relevant Client's Transactions and/or block (freeze) funds on the Client's Account, with the right to return the funds received on the Client's Account - if the Client is on the Sanctions List and/or the Client is subject to the "50% Rules" of the Office of Foreign Assets Control of the US Department of the Treasury and other governmental and non-governmental organizations and/or in case of discrepancy between the Client's data reflected in the questionnaire and the Client's actual transactions, the Client and/or its transactions (involving counterparties (shareholders, founders, beneficiaries), its banks and member banks in the payment chain) falling or risk under international economic, financial, trade and other restrictive measures (sanctions, including secondary sanctions);

4.1.5.3. refuse to conclude ACBS and/or Contract or refuse (fully or partially) to fulfill ACBS and/or Contract (terminate) or suspend the relevant Client's Transactions and/or block (freeze) funds on the Client's Account, with the right to return funds to the sender of funds to the Client - in case the sender of funds to the Client is included in the Sanctions List and/or the risk of the sender of funds to the Client is included in the Sanctions List and/or the sender of funds to the Client is subject to "50% Rules" of the Office of Foreign Assets Control of the US Department of the Treasury and other governmental and non-governmental organizations and/or transactions of the sender of funds to the Client (involving counterparties (shareholders, founders, beneficiaries), its banks and member banks in the payment chain) under the actions of international economic, financial, trade and other restrictive measures (sanctions, including secondary sanctions).

4.1.6. The Bank has the right under the concluded foreign trade contracts (agreements):

- audit the Client's activities and a specific transaction or operation, including sending requests to the Client (2 business days due) to obtain information and documents necessary for the Bank to comply with the requirements of economic sanctions legislation (administered by the United Nations Security Council, the Office of Foreign Assets Control of the U.S. Treasury Department (OFAC) or another body of the United States, Canada, or the United Kingdom governments);

- refuse to carry out/execute the transaction and immediately inform the Central Bank of the Republic of Uzbekistan;
- refund an incoming payment or block the execution of an outgoing payment;
- notify the client, in compliance with all confidentiality requirements, of the sanctions risks that may arise as a result of conducting/executing the transaction;

- suspend the conduction/execution of the transaction for the duration of the audit in terms of compliance with the terms of the transaction with the provisions of the JSCB Kapitalbank Sanctions Risk Management Policy and the Bank's risk appetite, while the deadline for the audit shall be determined by the Bank independently;

- send a request to its correspondent banks, not to conduct payments towards the Bank and return payments to the sending bank, in which it participates directly or, according to the 50% Rule, to the blocking sanctions list;

- take appropriate measures against the party that is included in the blocking sanctions list, including, but not limited to: termination of service of the foreign trade contract (agreement), blocking of the Client's account and termination of business relations with the Client;

- take other measures to prevent such cases from re-occurring.

4.1.6.1. The Bank additionally has the right to:

- conduct detailed inspections of high-risk transactions;
- request the opinions of external experts on the assessment of sanctions risks;
- establish additional requirements for document management for risky transactions;
- introduce a special procedure for monitoring transactions with foreign counterparties.

The measures specified in this clause are not exhaustive, and the Bank has the right to apply other measures at its discretion to effective sanctions risks management.

4.2. The Client has the right to:

4.2.1. independently dispose of the Funds held on his Account, unless otherwise provided for by the current legislation of the Republic of Uzbekistan, the Agreement and this Procedure;

4.2.2. give the Bank instructions for cash and settlement services in foreign currency;

4.2.3. receive foreign currency in cash in cases and in accordance with the procedure stipulated by the current legislation of the Republic of Uzbekistan;

4.2.4. receive information from the Bank on settlement issues, banking techniques, rules of document circulation and other issues of currency regulation.

4.3. The Bank is not entitled to impose restrictions on the Client's rights to use and dispose of Funds at his discretion, except for cases stipulated by the legislation, the Agreement and this Procedure.

4.4. The Bank shall not be responsible for:

- the Client's losses resulting from the refusal of correspondent banks to conduct transactions;
- blocking of the Client's funds on correspondent accounts of foreign banks;
- delays in transactions related to additional inspections;
- refusal to conduct transactions when indirect signs of sanctions risks are revealed.

4.5. The Parties may have other rights provided for by the legislation of the Republic of Uzbekistan and the Agreement.

V. COMMISSION FEE AND THE PROCEDURE FOR ITS PAYMENT

5.1. In case of absence or insufficiency of funds on the Client's account to cover the commission fee, the outstanding part of the debt shall be placed in the Client's card file No. 2 by issuing a payment request, which shall be executed in accordance with the established procedure. The specified payment request shall be considered accepted by the Client without any additional confirmation.

5.2. The Bank shall not pay interest to the Client for the use of funds on the Account.

VI. FINAL CONDITIONS

6.1. The Parties shall be responsible for non-fulfillment or improper fulfillment of their obligations under the Contract in accordance with the current legislation of the Republic of Uzbekistan, the Agreement and this Procedure.

6.1.1. The Parties agree and confirm that either Party has the right to immediately unilaterally terminate or suspend the validity of the Contract and/or Agreement (notifying the other Party in writing) if one of the Parties or their beneficiaries are included in the sanctions lists of the UN Security Council, the European Union, the Office for Foreign Assets Control of the US Department of the Treasury (OFAC), or another body of the US, EU, or UK governments, as well as in the event of other sanctions risks arise.

Unilateral termination and suspension of the Contract and/or Agreement under this clause is aimed at protecting the rights and interests of the Parties and does not constitute a violation of the Contract and/or Agreement and cannot serve as a basis for the application of property sanctions and other negative consequences for the Parties.

6.1.2. The Parties acknowledge and agree that:

- this sanction clause is an essential condition of the Contract and/or Agreement, the violation of which is the basis for its termination, and is valid for the entire term of the Contract and/or Agreement.
- all the provisions of the sanctions clause are independent of each other, and the invalidity of one provision does not affect the validity of the rest;
- in the event of a conflict between the sanctions clause and other terms and conditions of the Contract and/or Agreement, the provisions of the sanctions clause shall prevail.

6.2. The Contract shall remain in force until its expiration or termination upon the Client's application, upon a court decision issued at the Bank's request in case of the Client's failure to fulfill the contractual obligations, as well as in other cases stipulated by the Current legislation and the Agreement.

6.2.1. The Contract may be terminated in accordance with the established procedure at any time after the Client has made all payments related to the provision of banking services.

6.3. Upon termination and cancellation of the Contract validity the Bank shall close the Account according to the Client's application, shall issue balance of funds available in the Account within 7 (seven) business days, transfer the balance of Funds to another account upon Client's instructions. If within 7 (business) days from the date of termination or cancellation of the Contract, Client does not provide the Bank with a written instruction to transfer funds to another account, the Bank transfers funds from the Client's account to the account 29842.

6.4. Upon termination or expiration of the Contract, commission fee payments according to the Bank's Tariffs shall not be returned to the Client.

6.5. Disputes related to the Contract shall be resolved by the parties through negotiations between themselves. If it is not possible to resolve disputes through negotiations, the disputes shall be resolved in accordance with the procedure stipulated in the Agreement.

6.6. The relations between the Bank and the Client, which are not provided for by this Procedure, shall be governed by the current legislation of the Republic of Uzbekistan and the Agreement.