

International Economic Sanctions Memo

Dear customer,

JSC Halyk Bank (the “Bank”) hereby informs you that Bank applies procedures aimed at compliance with international economic sanctions, when it carries out its activities.

The international economic sanctions are divided into two types: comprehensive country sanctions and individual sanctions.

The comprehensive country sanctions contain ban on trade and financial transactions, other cooperation with certain countries, as listed by the United States, European Union, United Nations and international organizations authorized to impose sanctions.

The **comprehensive country sanctions against Crimea, Cuba, Iran, North Korea, Sudan, South Sudan and Syria prohibit direct/indirect cooperation with persons from these countries (regions).**

The sanctions against **Belarus, Burundi, Venezuela, the Democratic Republic of the Congo, Iraq, Yemen, Zimbabwe, Lebanon, Libya, Nicaragua, Myanmar (Burma), the Republic of Mali, Russia, Somalia, the countries of the Balkan Peninsula, the Central African Republic, Ukraine,** prohibit and restrict definite economic sectors and certain actions or legal transactions only.

Individual sanctions represent bans and restrictions, including on financial transactions, **against certain individuals and entities included in the sanctions lists (“black” list)** established by the United States, the European Union, the UN and international organizations.

When customers of the Bank make transactions, including wire transfer in any currency, the beneficiaries of which are:

- 1) residents (individuals and legal entities) of above countries;
- 2) the persons and entities listed in the sanctions lists (in the “black”).

IMPORTANT!!! If from the payment details, including wire transfer or underlying documents of the transaction provided by the customer to the Bank (such as contracts, invoices, etc.), it follows that: the purpose of the transaction is the payment for goods and/or services to the destination/ or origin in one of the above-mentioned countries, as well as at any mention in the payment details of persons and entities included in the sanctions list (the “black” list), there is a risk of failure to make such transactions by US or European correspondent bank involved in the transaction, as well as, in cases if the transaction currency is the US dollar – the risk of blocking and freezing of money in a special account of the US Treasury Department – OFAC.

Taking into account the above, the Bank asks you to keep in mind that in order to avoid these risks, the Bank has the right to reject or cease a transaction of the customer, if such reject or cancellation is caused by the international economic sanctions described in this Memo.

At the same time, the Bank notifies that it will not be liable for losses of the customer caused by the reject of the Bank, correspondent bank of the Bank, participating in the transaction, in the execution or cancellation of execution of the customer’s payment instructions due to effective international economic sanctions.

IMPORTANT!!! In pursuance of the requirements of the international economic sanctions, the Bank:

- a. **does not establish** business relations with individuals - citizens of countries that are subject to comprehensive country sanctions, even if such a person has residency, residence permit of the Republic of Kazakhstan;
- b. **does not establish** business relations with legal entities registered in countries that are subject to comprehensive country sanctions, as well as legal entities the officials/shareholders/participants/beneficial owners of which are legal entities registered in such countries or individuals – citizens of such countries.
- c. **does not maintain** transactions with goods/services originating from countries that are subject to comprehensive country sanctions, **does not proceed** transactions where goods/services are supplied to specified countries/from specified countries, as well as if goods/services are supplied in transit via such countries;

d. **does not enter** into any business relations with persons having direct/indirect interrelationship with above countries (circumvention of the international economic sanctions requirements);

e. **does not participate in** operations that are made in violation of international economic sanctions.