

LOAN AGREEMENT

On lending without opening a credit line (standard form)

20__ “__” _____ No. _____ city

The “_____” Branch of Trustbank Private Joint-Stock Bank (hereinafter — the Bank), represented by its Manager _____, acting on the basis of the Charter and Power of Attorney, on the one part, and _____

(full name of the borrower/client)

(hereinafter — the Borrower/Client), represented by its Director _____, acting on the basis of (*charter, regulation, certificate*), on the other part, have entered into this Agreement as follows.

§ 1. SUBJECT MATTER OF THE AGREEMENT

1. Pursuant to the minutes of the Credit Committee of the (*Branch/Head Bank*) dated «__» _____ 20__ No. ____/_____, the Bank provides the Borrower/Client with a loan in the amount of _____ (_____) soums for a term of _____.

2. The purpose of the loan is _____

3. In order to maintain records of the credit received by the Borrower/Client, the Bank opens a corresponding loan account for the Borrower/Client.

4. The Bank calculates the total cost of credit extended to the Borrower/Client.

The total cost of credit comprises all payments made by the Borrower/Client in accordance with the terms of the loan agreement, the amounts and timing of which are known at the time of its conclusion. If payments by the Borrower/Client to third parties arise from the terms of the loan agreement, such payments are also included in the total cost of credit. The total cost of credit includes: payments by the Borrower/Client related to the conclusion and performance of the loan agreement (payment for repayment of the principal debt; payment of interest on the loan; payment of interest at the increased rate on overdue debt); payments by the Borrower/Client to third parties (insurance company, notarial office) in accordance with the terms of the loan agreement (payment for valuation of pledged property; payment for insurance of the pledged asset and other payments). The total cost of credit does not include: payments by the Borrower/Client made not under the loan agreement but in accordance with the requirements of the normative legal acts of the Republic of Uzbekistan (for example, payment for compulsory civil liability insurance of a motor vehicle owner); payments by the Borrower/Client related to non-performance of the terms of the loan agreement (default interest, fines).

§ 2. INTEREST RATE AND COMMISSION FEE

5. The interest rate on the loan is set at _____% per annum.

6. In the event of overdue interest on the loan, the Borrower/Client shall pay the Bank a penalty at the rate of _____% of the amount of overdue interest for each day of delay, but not exceeding 50% of the overdue

interest debt (if the relevant credit committee resolution provides for the accrual of a penalty on overdue interest). Payment of the penalty shall not release the Borrower/Client from the obligation to repay the overdue interest debt.

7. In the event of failure to repay the loan within the period established by the principal debt repayment schedule forming an integral part of the loan agreement, the Bank shall charge interest at a rate 1.5 times the interest rate established under the loan agreement.

9. Where amendments are made to the terms of this Agreement at the initiative of the Borrower/Client, the Bank shall charge the Borrower/Client a commission fee in accordance with the Bank's tariffs.

§ 3. PROCEDURE FOR MAKING PAYMENTS UNDER THE LOAN AGREEMENT

9-1. Repayment of the principal debt on the loan and accrued interest thereon shall be made by mutual agreement of the parties using the (*differentiated or annuity*) method.

10. The Bank accrues interest for the use of the loan on the outstanding balance of the principal debt actually disbursed, at the nominal rate established by this Agreement. Interest for use of the loan is accrued from the date the loan amount is transferred to the account specified by the Borrower/Client.

11. Repayment of the principal debt and accrued interest on the loan shall be made in accordance with the Credit Repayment Schedule appended to this Agreement.

The Bank collects the loan payment on the 11th day of each month. If the payment date falls on a non-business day, the accrued interest shall be paid on the first business day following the non-business day, inclusive of interest accrued over the non-business days.

Following the preparation of the credit repayment schedule, if the financing start date changes, the terms of the Agreement are revised between the parties (including in connection with loan restructuring), or payment dates and periods or the amounts of interim payments change in connection with a partial early repayment by the Borrower/Client, the Bank shall prepare a new credit repayment schedule on the basis of a supplementary agreement. The previously existing credit repayment schedule shall thereupon become null and void.

If the interest payment date falls on non-business days, payment shall be made on the first business day following such days, inclusive of interest accrued over the non-business days.

12. Where the amount of a payment received from the Borrower/Client is insufficient to discharge the Borrower's/Client's obligations to the Bank under the loan, the funds received shall be applied to settle the debt in the following order of priority in accordance with Article 248 of the Civil Code of the Republic of Uzbekistan:

- a) overdue principal debt and overdue interest payments — on a pro-rata basis;
- b) accrued interest for the current period and principal debt for the current period;
- c) fines and penalties;
- d) other expenses of the creditor related to debt recovery.

13. In the event of overdue debt on the loan or accrued interest thereon, the Bank shall be entitled to present a payment demand on a non-acceptance basis to the Borrower's/Client's principal current account at this branch or at another bank.

14. All documents and agreements serving as the basis for payments must be drawn up in accordance with the legislation of the Republic of Uzbekistan. In the event of non-compliance with this requirement, the Bank shall be entitled to refuse payment from the loan account. The Bank shall also be entitled to require that amendments and additions not contrary to the legislation of the Republic of Uzbekistan be made to the agreement serving as the basis for payment.

§ 4. OBLIGATIONS OF THE PARTIES

15. Obligations of the Bank:

- a) to provide the loan to the Borrower/Client for the period from «__» _____ 20__ to «__» _____ 20__;
- b) to process payment from the loan account on the day the payment document drawn up in accordance with the legislation of the Republic of Uzbekistan is presented;
- c) to notify the Borrower/Client of the fact and grounds for early recovery of the loan;
- d) in the event of the Bank's full or partial refusal to extend the credit provided for under this Agreement, to send the Borrower/Client written notice of the suspension of credit disbursement and the reasons therefor no later than the next business day from the date of the relevant decision;
- e) within 7 calendar days of the occurrence of overdue debt, and in order to prevent a further increase in the Borrower's/Client's debt burden, to notify the Borrower/Client of the fact of such overdue debt with the credit repayment schedule attached, using any available means of communication including electronic means;
- f) to inform the Borrower/Client of the fact, timeframes, amount, composition and consequences of non-performance of obligations to repay the overdue debt; to request from the Borrower/Client the reasons for the occurrence of overdue debt;
- g) where the Borrower/Client fails to comply with the deadlines for repayment of principal and (or) payment of accrued interest under this Agreement, to issue a pre-action claim to the Borrower/Client for the purpose of pre-trial dispute resolution (specifying in the claim the amount and composition of the current debt as at the date of its preparation, repayment methods, the consequences of non-performance of obligations within the period specified in the claim, and methods of pre-trial dispute resolution);
- h) where funds received from the Borrower/Client exceed the current payment under the credit repayment schedule, to direct the excess amount towards repayment of the principal debt on the loan and recalculate the cost of the loan.

16. Obligations of the Borrower/Client:

- a) throughout the lending period, to observe the lending principles of repayment, payment, collateralisation, maturity and targeted use;
- b) to repay the loan within the deadlines established by this Agreement and the credit repayment schedule; to make timely settlements with the Bank;
- c) to provide as security for repayment of the loan (*the type of collateral actually provided is indicated*)
 - *pledge of real estate* (real estate drawn up in accordance with the legislation of the Republic of Uzbekistan and in a manner satisfactory to the Bank, valued at _____ (_____) soums, located at: _____, belonging to _____ on the basis of Certificate No. _____ dated «__» _____ 20__ and Cadastral Document No. _____ dated «__» _____ 20__);
 - *pledge of motor vehicle* (motor vehicle drawn up in accordance with the legislation of the Republic of Uzbekistan and in a manner satisfactory to the Bank, valued at _____ (_____) soums, located at: _____, belonging to _____ on the basis of Technical Passport No. _____ dated «__» _____ 20__, registration number _____);
 - *pledge of technological equipment* (technological equipment drawn up in accordance with the legislation of the Republic of Uzbekistan and in a manner satisfactory to the Bank, valued at _____ (_____) soums,

located at: _____, belonging to _____ on the basis of Cargo Customs Declaration/Bill of Lading No. _____ dated «__» _____ 20__);
— *guarantee* (guarantee drawn up in accordance with the legislation of the Republic of Uzbekistan on the basis of Guarantee Agreement No. _____ dated «__» _____ 20__, issued by _____, valued at _____ (_____ soums);

- d) to formalise the loan collateral through a separate agreement (pledge agreement, guarantee agreement) constituting an integral part of this Agreement;
- e) to insure the pledged asset in favour of the Bank for the full term of the credit in the prescribed manner, and to deliver to the Bank the originals of the insurance agreement, insurance policy and notarially certified pledge agreement [if real estate or a motor vehicle is purchased on the primary market and the same property (vehicle) is pledged as collateral for the loan extended by the Bank, the mortgage (pledge) agreement shall not be subject to notarial certification];
- f) during the term of this Agreement, without prior notice to the Bank, not to obtain loans from other banks, not to issue guarantees or act as guarantor, not to borrow funds, and not to pledge any of its assets as collateral for loans from other creditors;
- g) to ensure that technical and economic performance indicators are in line with the submitted business plan;
- h) to repay the loan received within the deadlines established by the credit repayment schedule appended to this Agreement, or ahead of schedule;
- i) to maintain on the current account funds sufficient for repayment of the principal debt in accordance with the credit repayment schedule, payment of accrued interest within the deadlines specified in clause 11 of this Agreement, and collection of the commission fee provided for in clause 9 of this Agreement;
- j) during the term of this Agreement, to provide the Bank with copies of the balance sheet (Form 1 report) and profit and loss statement (Form 2 report) submitted to the state tax inspectorate, cash flow statement, and ageing schedules of accounts receivable and payable (with a copy of the reconciliation certificate for debts outstanding for more than 90 days) — no later than the 25th day of the month following the reporting quarter (*if reporting is submitted annually — to provide a full operational balance report and financial documents quarterly, signed by authorised signatories and certified with the corporate seal*)
- k) to provide the Bank on request with any information related to the financing of the project during the term of this Agreement;
- l) to ensure unobstructed access for authorised Bank employees to office premises, production facilities and other locations for the purposes of reviewing accounting documents, verifying the targeted use of the loan, and inspecting the actual condition of the pledged assets;
- m) to notify the Bank within 10 calendar days of any change to its registered address or other particulars;
- n) without the Bank's written consent, not to change its organisational and legal form through merger, liquidation or any other form of reorganisation during the term of this Agreement;
- o) in the event of overdue debt on the principal and (or) interest arising from non-performance or improper performance of obligations under this Agreement, to grant the Bank an unconditional and uncontested right to debit/recover/write off from its bank accounts held at commercial banks of the Republic of Uzbekistan the funds necessary to discharge the obligations under this Agreement;
- p) where funds are unavailable for repayment of the loan and accrued interest, to grant the Bank the right to enforce recovery against the pledged asset or other liquid assets in accordance with the procedure established by the legislation of the Republic of Uzbekistan;

- q) upon cessation of operations or change of legal status, all obligations under this Agreement shall transfer to the Borrower's/Client's successor, or the Borrower/Client shall make early repayment of the outstanding debt on the loan and accrued interest regardless of the repayment dates established by this Agreement;
- r) to notify the Bank of the existence of secondary accounts held at other banks;
- s) until all obligations under this Agreement are fully discharged, and absent a mutual agreement between the parties, not to open accounts in national or foreign currency at other banks or formalise loans and other financial obligations;
- t) to utilise the disbursed credit funds in full within 60 banking days from the date of conclusion of this Agreement;
- u) to provide written consent of the borrower/client and (or) pledgor for the entry of a record in the Pledge Register.

§ 5. RIGHTS OF THE PARTIES

17. Rights of the Bank:

- a) to analyse the financial position of the Borrower/Client on a quarterly basis for the purpose of assessing creditworthiness;
- b) to adjust the interest rate on the loan upon a change in the refinancing rate of the Central Bank of the Republic of Uzbekistan, with prior written notification to the Borrower/Client;
- c) during the term of this Agreement, to monitor the compliance of the Borrower's/Client's performance indicators with the business plan, the condition of the pledged assets, and the prospects for timely repayment of the loan and accrued interest;
- d) in the event of untimely repayment of the loan, to avail itself of all remedies provided for by the legislation of the Republic of Uzbekistan to recover the outstanding debt;
- e) in the event of deterioration of the Borrower's/Client's financial position (loss-making operations, balance sheet illiquidity, existence of card index No. 2, inadequate accounting, unreliability of reporting data), non-fulfilment of the business plan's technical and economic indicators, or refusal of bank supervision — to demand early repayment of the loan and to cease further lending;
- f) in the event of non-targeted use of the loan, to recover the non-targeted portion of the loan ahead of schedule with the application of penalties;
- g) where the Borrower/Client fails to comply with the deadlines for repayment of principal and (or) payment of accrued interest under this Agreement, to issue a pre-action claim to the Borrower/Client for the purpose of pre-trial dispute resolution;
- h) in the event of the Borrower's/Client's failure to duly comply with the requirements of the pre-action claim within the prescribed period, to file a claim with the court;
- i) where the Borrower/Client lacks funds to repay the debt on the loan and accrued interest, to enforce recovery against the pledged asset or other liquid assets in accordance with the procedure established by the legislation of the Republic of Uzbekistan;
- j) 20 banking days before loan repayment, to require the Borrower/Client to accumulate on the current account an amount sufficient to repay the outstanding debt on the loan and accrued interest;
- k) in the event of overdue debt on the principal and (or) interest arising from non-performance or improper performance by the Borrower/Client of obligations under this Agreement — unconditionally and incontestably to debit/recover/write off from the Borrower's/Client's bank accounts held at commercial banks of the Republic of Uzbekistan the funds necessary to discharge the obligations under this Agreement (the Bank shall, no later than the next business day from the

date of the debit, send the Borrower/Client a notification specifying the amount and grounds of the recovery in favour of the Bank);

- l) upon establishing the fact that the Borrower/Client has committed corrupt acts — directly or indirectly — in connection with this Agreement, to terminate this Agreement unilaterally;
- m) upon the occurrence of any of the following circumstances, to recover the loan in full ahead of schedule through judicial proceedings:
 - where, within 30 (thirty) calendar days of the occurrence of overdue debt on the principal, accrued interest, or interest at the increased rate, arising from non-performance or improper performance by the Borrower/Client of obligations under this Agreement within the deadlines stipulated in the credit repayment schedule, the debt has not been repaid;
 - where the Borrower/Client has failed to duly perform its obligations under this Agreement (other than the obligation to repay the debt) within 30 (thirty) calendar days of the dispatch of a notification (pre-action claim) requiring their due performance.

18. Rights of the Borrower/Client:

- a) to receive the loan on the terms, in the amount and within the timeframes established by this Agreement;
- b) to decline receipt of the loan free of charge after conclusion of this Agreement and prior to receipt of the funds by the Borrower/Client;
- c) to terminate this Agreement ahead of schedule by fully repaying the principal debt and accrued interest at any time without penalty;
- d) at any time during the term of this Agreement, to direct funds held on a pledged deposit under this loan towards repayment of the loan, regardless of the deposit's maturity date;
- e) to claim from the Bank reimbursement of any penalty paid to the seller of goods (contractor, service provider) for untimely payment due to the Bank's fault in providing the loan in an amount less than agreed or in breach of the timeframes stipulated in this Agreement.

§ 6. LIABILITY OF THE PARTIES

19. For non-compliance with sub-clause “a” of clause 15 of this Agreement, the Bank shall pay the Borrower/Client a penalty at the rate of 0.1% of the amount of the overdue payment for each day of delay, but not exceeding 10% of the overdue payment amount (subject to the existence of a justified written claim from the Borrower/Client regarding the Bank's non-compliance with the terms of this Agreement).

20. For non-targeted use of the loan, the Bank shall impose on the Borrower/Client a fine in the amount of 10% of the non-targeted portion of the loan, with simultaneous early repayment of that portion.

§ 6-1. ADDITIONAL ANTI-CORRUPTION PROVISIONS

20-1. The parties agreed to refrain from corrupt acts in connection with the execution of the Agreement, during the term of its validity, and after its expiry in so far as it relates to this Agreement.

20-2. The parties acknowledge the anti-corruption measures established in the additional anti-corruption provisions of this Agreement and shall ensure cooperation in respect of their observance.

20-3. Each party warrants that, at the time of entering into the Agreement, neither it nor its executive bodies, officers, or employees have unlawfully transferred money or material valuables in connection with the Agreement, allowed the receipt of, offered, provided, or promised unofficial money or other material valuables in exchange for the conclusion of the Agreement, nor received material or any other privileges or advantages of any kind (nor created an impression of the possibility of such actions in the future).

20-4. The parties shall not permit their officers and employees, directly or indirectly (including through third parties), to commit corrupt acts at any time or in any form.

20-5. The parties shall not permit the laundering of illegally obtained income, or the giving of a legitimate appearance to the origins of assets known to have been derived from criminal activity through their transfer, conversion or exchange, or the concealment of their true nature, source, location, manner of disposal or movement, actual ownership rights or beneficial ownership.

20-6. In the event of extortion, inducement, pressure or threats aimed at committing a corruption offence, the relevant party shall immediately notify the other party and the competent state authorities.

20-7. In respect of persons under the control of the parties and acting on their behalf in the course of selling and transferring goods, works and services or carrying out other activities in their interests, the parties undertake to:

- a) issue instructions and explanations regarding the impermissibility of corrupt acts and the obligation to maintain zero tolerance towards them;
- b) not to use such persons as intermediaries for the commission of corrupt acts;
- c) to engage such persons exclusively within the scope of operational necessity arising in the course of the party's ordinary day-to-day activities;
- d) not to make payments to such persons that are unjustifiably in excess of the agreed remuneration for services rendered within the framework of applicable law.

20-8. The parties guarantee that persons under their control and acting on their behalf will not be subjected to pressure for reporting violations of the anti-corruption obligations.

20-9. If one party becomes aware of the other party's violation of the obligations set out in clause 20-4 of this Agreement, it shall immediately notify the other party and require the adoption of appropriate measures with subsequent reporting on the results.

20-10. In the event that appropriate measures are not taken or no information is provided regarding the outcome of their consideration upon request, the requesting party shall be entitled to unilaterally suspend or terminate the Agreement and to demand full compensation for losses incurred.

§ 6-2. ADDITIONAL CONDITIONS RELATING TO SANCTIONS LISTS

20-11. The Borrower/Client ensures and warrants strict compliance with the restrictions and prohibitions relating to the Sanctions List when conducting banking operations on the bank account. By signing this Agreement, the Borrower/Client confirms compliance with the restrictions and prohibitions relating to the Sanctions List.

20-12. The Borrower/Client shall not enter into agreements, transactions or contracts with persons included on the Sanctions List, nor with any persons in respect of whom there are reasonable grounds to assume that they may be acting in the interests of persons on the Sanctions List.

20-13. The Borrower/Client shall not make payments to persons included on the Sanctions List, or on their behalf, under any agreements, transactions or contracts.

20-14. In the event that documents and information submitted by the Borrower/Client to the Bank prove to be false, unreliable and (or) invalid, or if the conditions set out in this paragraph are not complied with by the Borrower/Client, the Bank shall not be liable for the return, blocking, freezing or loss of funds debited as a result of banking operations carried out on the instruction of the Borrower/Client.

20-15. The Bank shall not be liable for the application to the Borrower/Client of restrictive and prohibitory measures (attachment of funds, refusal of payment, etc.) by competent authorities, organisations or banks on the basis of the Sanctions List, nor does the Bank undertake to compensate the Borrower/Client for losses arising from the Bank's non-performance or improper performance of its obligations under this Agreement in connection with the restrictions and prohibitions relating to the Sanctions List.

20-16. The Bank shall be entitled to decline to carry out banking operations of the Borrower/Client in favour of banks and (or) counterparties that are restricted or prohibited under the legislation of other states. In such cases, the Bank shall not assume liability for unprocessed banking operations under foreign trade agreements.

20-17. In the event that property and (or) non-property sanctions are applied to the Bank as a result of the execution of the Borrower's/Client's instruction, the Borrower/Client undertakes to compensate the Bank for losses arising from the application of such sanctions.

§ 7. FORCE MAJEURE

21. A party that has failed to perform or has improperly performed its obligations under this Agreement shall be liable unless it proves that such failure was attributable to circumstances of force majeure.

22. Force majeure circumstances shall include extraordinary, unavoidable under the given conditions, and unforeseen situations arising therefrom, provided that such situations have directly affected the parties' performance of this Agreement, namely:

- a) natural disasters (earthquake, fire, landslide, hurricane, flood, epidemic, drought, explosion);
- b) socio-economic circumstances (military action, strike, civil unrest, blockade, restrictive and prohibitory measures by state bodies and states, as well as decisions of state authorities at all levels and situations recognised and declared as force majeure by the Chamber of Commerce and Industry of the Republic of Uzbekistan).

23. A party that is unable to perform its obligations due to force majeure circumstances and claims exemption from liability shall immediately notify the other party thereof in writing.

24. The grounds for exemption from liability shall take effect from the moment of occurrence of the force majeure circumstance, or — in the event of untimely notification — from the date of dispatch of the notification. Failure to provide notification shall impose on the non-performing party liability for compensation of losses incurred.

25. The persistence of a force majeure circumstance for a period of 6 months shall constitute grounds for termination of this Agreement.

§ 8. DISPUTE RESOLUTION

26. The parties shall be entitled to apply methods of pre-trial resolution of disputes arising under this Agreement, including by settling them through negotiations.

27. The parties have agreed to submit all disputes arising in connection with this Agreement and not amenable to resolution through negotiations for consideration by the competent court at the location of the Bank (banking service office).

§ 9. MISCELLANEOUS

28. The Borrower/Client shall provide the Bank with the property pledge agreement (guarantee agreement, insurance policy) securing repayment of the loan.

29. Amendments to the terms of this Agreement shall be made by mutual agreement of the parties and shall be formalised in writing.

The Bank shall not be entitled to unilaterally amend the terms of this Agreement, including the interest rate on the loan and the procedure for its determination, the amount of the commission fee, or the term of this Agreement.

30. This Agreement shall enter into force upon its signing by the parties and shall remain in effect until the Borrower/Client has fully discharged all obligations. The Bank's obligation to extend the credit shall take effect upon fulfilment by the Borrower/Client of the following conditions:

- a) insurance of the pledged asset by the Borrower/Client in favour of the Bank for the full term of the credit in the prescribed manner, and delivery to the Bank of the originals of the insurance agreement and insurance policy;
- b) notarial certification of the mortgage (pledge) agreement concluded between the Bank and the Borrower/Client [if real estate or a motor vehicle is purchased on the primary market and the same property (vehicle) is pledged as collateral for the loan extended by the Bank, the mortgage (pledge) agreement shall not be subject to notarial certification].

31. If the conditions of clause 30 of this Agreement are not fulfilled by the Borrower/Client and the Bank's obligation to extend the credit does not take effect within 30 calendar days of the date of conclusion of the Agreement, this Agreement and all obligations of the parties thereunder shall cease to have effect.

32. The parties shall ensure complete confidentiality of this Agreement and undertake not to disclose its terms to third parties without mutual consent.

33. In the event of a change to the organisational and legal form of one of the parties, that party shall perform its obligations to the other party prior to such change, or transfer them to its successor.

34. This Agreement is drawn up in two copies having equal legal force.

35. Appendices to this Agreement, as well as amendments and additions made thereto, shall constitute an integral part thereof from the moment they take effect.

36. In all matters not provided for by this Agreement, the provisions of the legislation of the Republic of Uzbekistan shall apply.

§ 10. POSTAL ADDRESSES AND PARTICULARS OF THE PARTIES

Bank:

Address: _____

Tel.: _____ Fax: _____

Bank Code: _____

Account: _____

TIN: _____

Manager: _____

Seal

Borrower/Client:

Address: _____

Tel.: _____ Fax: _____

Bank Code: _____

Account: _____

TIN: _____

Director: _____

Seal

APPENDIX

to Loan Agreement No. _____

dated «__» _____ 20__

CREDIT REPAYMENT SCHEDULE**(in UZS and cents)**

Loan Amount	UZS _____
Interest Rate (per annum)	____% per annum
Loan Term	____ months

No.	Repayment Date	Principal Amount	Principal Repaid	Outstanding Balance	Interest Payment	Total Payment
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
TOTAL				x		

POSTAL ADDRESSES AND PARTICULARS OF THE PARTIES**Bank:**

Address: _____

Borrower/Client:

Address: _____

Tel.: _____ Fax: _____
Bank Code: _____
Account: _____
TIN: _____
Manager: _____
Chief Accountant: _____
Seal

Tel.: _____ Fax: _____
Bank Code: _____
Account: _____
TIN: _____
Director: _____
Chief Accountant: _____
Seal