

COMMERCIAL LETTER OF CREDIT TERMS AND CONDITIONS

1. DEFINITION

In this Terms and Conditions, the following terms shall have the following meaning unless the context so otherwise requires

- 1.1 **“Customer** “refer to a KBZ Bank customer using the Bank’s products or services.
- 1.2 **“KBZ BANK”** means Kanbawza Bank Limited and all the branches of KBZ Bank, including any branches that shall be set up by KBZ Bank in the future.
- 1.3 **“Business Day** “means a day other than a Saturday, Sunday, public holiday or bank holiday in Myanmar.
- 1.4 **“CBM”** means the Central Bank of Myanmar.
- 1.5 **“Term** “means the term of this terms and conditions determined in accordance with the provisions of Clause 10.
- 1.6 **“Website** “means the KBZ Bank Website at www.kbzbank.com

This credit in terms and conditions is issued subject to the International Chamber of Commerce Uniform Customs and Practice for Documentary Credits which is in effect at the date of issuance of the credit by the Bank.

2. RESPONSIBILITY OF CUSTOMER

- 2.1 Customer agree to pay the Bank upon demand all money paid by the Bank under or pursuant to the letter of credit, together with interest, commission and all customary charges. In addition, the Customer approve the Bank to charge any of the Customer’s accounts with the Bank for all moneys liable under the letter of credit and the Customer agree to provide the Bank with funds to meet all payments of any kind together with commission, interest and charges which the Bank has paid or to which the Bank is entitled under the letter of credit.
- 2.2 Customer authorize the Bank at any time after the issue of the credit whether before or after the Bank has made payments to debit the Customer’s account with sums sufficient to meet all liabilities under the credit including costs, commissions, bank charges and interest mentioned above.



- 2.3 Customer understand and agree that all risks, including risks of currency exchange rate fluctuations, arising out of the consequent on the issue of credit are to be borne by the Customer alone and that the Bank and/or its agents are not to be held responsible for any errors or delays.
- 2.4 Customer will obtain insurance against all risks necessary for the full protection of the goods described in the letter of credit. The Bank is hereby approved to collect the amount due under any such insurance and apply the same against any of the Customer's obligations to the Bank arising from the letter of credit.
- 2.5 Customer hereby allow the Bank .to retain as security the relevant documents and in the event of the funds not being provided the Customer give the Bank full discretion and power of sale over the related goods with or without notice to the Customer.
- 2.6 Customer agree that in spite of any contrary specification by the Customer. The Bank may at its discretion direct a Documentary Letter of Credit to the Bank's correspondent bank for advice or negotiation or any other action.
- 2.7 Customer understand that the Bank shall not in any situation be held responsible for the detention, deterioration, loss or damage to goods or failure to insure them as well as for their quality, quantity, condition or delivery or the correctness, validity, adequacy or authenticity of any of the documents relating to them.
- 2.8 Customer shall not hold the Bank or its agent/s responsible for any delay, mistake or omission that may happen in the transmission of the instructions or in the interpretation of such instructions; the genuineness of any documents presented which at prima facie appear to be in order; the loss or delay in forwarding the documents; any error or neglect or default by any of the Bank's agent.
- 2.9 Customer declare that the details shown on the application form are complete, true and accurate.

3. LIMITATION OF LIABILITY

Neither party will be liable to the other for any loss of profits, loss of data, loss of use, cost of cover, business interruption or other special and incidental, indirect, punitive or consequential damages, howsoever caused,



under whatsoever theory of liability, arising from the performance of, or relating to, this terms and conditions, unless either party causing loss did so willfully, negligently or without the due care and skill required for someone in the position of that party.

4. INDEMNITY

The Customer agrees to defend, indemnify and hold harmless KBZ Bank against any and all claims, losses, penalties, causes of action, damages, liability, costs, expenses (including but not limited to reasonable attorney fees) or claims caused by or resulting from the use of the services.

5. RIGHT OF SET OFF

5.1 The Customer is obliged to return any excess funds inaccurately credited due to ERR erroneous transactions by a third party or by the Bank or for any reason. Where such funds do not rightfully belong to the customer, the Bank may deduct such excess deposits without any restriction, notice or by all reasonable other means.

5.2 The Customer agree that the Bank may at any time at the Bank's discretion and without notice to the Customer's set off or transfer any figure or figures standing to the credit of the Customer's account from time to time in or towards payment of any monies or liabilities due or owing to the Bank under or in connection with this credit. In addition the Bank has a right of general lien, right of set-off and any other right which the Bank may be entitled by law to be evoked towards the payment of monies and liabilities in connection to said credit.

6. WARRANTY

6.1 As a condition of the use of services, the Customer warrants to KBZ Bank that the Customer will not use services for any unlawful purpose. The Customer agrees to abide by all applicable laws, rules, regulations and statutory requirements regarding the use of services.



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7. INTELLECTUAL PROPERTY

KBZ Bank is an owner of all intellectual property rights, whether in contents or wording, pictures, signs, logo, trade service marks, trade name as well as all design works, in all documents and websites of KBZ Bank. The Customer must not exploit the intellectual property right of KBZ Bank or make any advertisement without receiving prior written consent from KBZ Bank. The Customer shall not perform or allow any third party to perform any action that might cause damage to the image, trademark, trade name or other intellectual property right of KBZ Bank.

8. FORCE MAJEURE

The Customer understands that KBZ Bank shall not be liable for any failure of or delay in the performance of this services for the period that such failure or delay is due to causes beyond its reasonable control, including but not limited to acts of God, war, strikes or labor disputes, embargoes, government orders, fire, flood, torrential rain, storm or other extreme weather conditions, riot, insurrection, civil commotion, sanctions, boycott, failure of electricity, equipment failure, epidemic or any other force majeure event. KBZ Bank performance of this services will, to the extent that it is prevented, hindered or delayed by such circumstances, be suspended until such circumstances cease to exist. KBZ Bank will not be liable to the Customer or any other party or be considered in breach of this terms and conditions for a failure to perform, or delay in performing, any such obligation set out in this terms and conditions while those circumstances continue.

9. SEVERABILITY

Each of the provisions of this terms and conditions shall be several and distinct from one another. If any of the provisions of these terms and conditions becomes invalid, void, illegal or unenforceable in any respect under



any law, the validity, legally and enforceability of the remaining provisions shall not in any way be thereby affected or impaired.

10. TERMINATION

KBZ Bank shall have the right to terminate this services or any access or KBZ Bank related services in full at its discretion for any time, with or without cause, effective immediately.

11. AMENDMENT

The Customer acknowledges that KBZ Bank reserves the right to amend, modify or substitute any provisions of this terms and conditions or to the services and/or any charges at any time for any reason at its sole discretion and without any prior notice. The Customer shall be responsible for regularly reviewing these terms including amendments thereto as may be posted on the website.

12. DATA PROTECTION AND DISCLOSURE INFORMATION

The Customer agrees that KBZ Bank may contact, inquire, maintain, collect, disclose and use any or all information concerning the Customer as necessary and appropriate or as KBZ Bank deems beneficial to the Customer in receiving information on other product and/or service. The Customer agrees and confirms that KBZ Bank is required to provide information to any court or government authorities.

13. LANGUAGE

This terms and conditions is made in both English and Myanmar and both versions shall be equally authentic and effective. In case of any discrepancy between two versions, the Myanmar version shall prevail.

14. GOVERNING LAW AND DISPUTE RESOLUTION

These terms and conditions shall be governed by, and construed in accordance with, the laws of the Republic of the Union of Myanmar and the Courts in Myanmar shall have exclusive jurisdiction to solve any dispute arising from or under these terms and conditions.





15. ANTI-MONEY LAUNDERING AND SANCTIONS

- 15.1 KBZ Bank is subject to anti-money laundering laws in the Republic of the Union of Myanmar and certain countries, which may prohibit KBZ Bank from entering or concluding transactions involving certain persons or entities.
- 15.2 The Customer must provide all information required by KBZ Bank in order to manage its anti-money laundering or counter-terrorism financing and risks from the economic trade sanctions or to comply with any other laws and regulations of the Republic of the Union of Myanmar.
- 15.3 The Customer declares and undertakes that the process of any transactions by KBZ Bank will not breach any of the laws in Myanmar or any other country.

16. ASSIGNMENT

The Customer shall not assign its rights or obligations under this terms and conditions, in whole or in part, nor enter into any subcontract to perform any portion of this terms and conditions, without the written consent of KBZ Bank.

17. WAIVERS

Failure or delay on part of either party to enforce any provision(s) of this terms and conditions at any point of time shall not be construed to be a waiver by such party of such rights thereafter to enforce each and every provision of this terms and conditions.

18. NO RELATIONSHIP

Nothing in this terms and conditions shall be construed as to create the relationship of employer-employee, partners, collaborators, joint-venture or principal-merchant between the parties hereto. The parties shall be independent contractors and neither party shall bind the other by its acts, deeds or omissions.

