

GENERAL TERMS AND CONDITIONS
For establishment of business relation with SILK ROAD BANK AD SKOPJE

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I. DEFINITIONS

TRANSACTION ACCOUNT - is a unique and unrepeatably numerical datum used for identification of participants in the payment operations.

All denar transactions exercised through the bank are recorded in the transaction account.

All customers exercising denar transactions through a bank must have a transaction account.

FX ACCOUNT for residents - foreign currency account shall denote a current account of a resident - legal entity or natural person, as a transaction account that serves for collections and payments with non-residents and residents, transfer of funds from/to foreign currency savings deposit, from/to foreign currency deposit and pay-ins and payouts in cash foreign currency, as defined by the Law on Foreign Exchange Operations and other bylaws drawing from this Law.

FX ACCOUNT for non-residents shall denote a transaction account that serves for collections and payments based on transactions with residents, transfer of funds with non-residents, and pay-ins and pay-outs in cash foreign and domestic currency, as defined by the Law on Foreign Exchange Operations and other bylaws drawing from this Law.

RIGHT FOR OPENING AN ACCOUNT-Transaction current account may be opened to any individual who is citizen of the Republic of Macedonia, as well as to foreigners – who, according to the law regulations are considered as **residents** and have identity card as foreigners, issued by the Ministry of Internal Affairs of RM.

The Bank may also open accounts to juveniles and disabled persons who are represented in the Bank by a legal proxy, or custodian, in accordance with the law regulations.

DORMANT ACCOUNTS - According to the legal regulations, the MKD transaction accounts of clients that have no balance and trade over the past two years are treated as inactive and the Bank has obligation to close the same and to notify the client.

II. NOTIFICATIONS

The account holders may get information on the statement of account and movement thereon through the **web banking** service, CIS Application, registered residence address as per Bank's evidence and personally in the Bank's branch.

The Customer can contact Bank and submit letters, instructions and complaints on the following mailing credentials:

SILK ROAD BANK AD SKOPJE
1, Dame Gruev Str.
P.FAX. 564
1000 - Skopje, Macedonia

III. AUTHORIZATIONS TO THIRD PERSONS

The holder of the transaction account may issue **authorization** to another person to work with the funds on its account. The authorization may be issued at the moment of opening the transaction account or additionally at any time.

Duration of authorization

- as long as the transaction account is opened or
- until revocation conducted by the holder of the transaction account

IV. PAYMENTS OPERATIONS

The holder of the transaction account or authorized person may perform the following general types of payments operations:

PAYMENTS	cash deposits	DISBURSEMENTS	cash withdrawal
	In cash at all branches		payments in the merchant network with the payment card
	transfer of salaries by employers		payment of regime costs
	transfer from other accounts held with Silk Road Bank AD Skopje		transfer to other accounts held with Silk Road Bank AD Skopje
	transfer from accounts held with other banks locally		transfer from accounts held with other banks locally
	transfer from accounts held with other banks to abroad		transfer from accounts held with other banks to abroad
	transfer of funds via the e-banking system		transfer of funds via the e-banking system

V. DOMESTIC PAYMENT OPERATIONS

What you need to know about the domestic payment operations?

Domestic payment operations are comprised of payments in denars made by the participants in the payment operations through the Institutions responsible for conducting payment operations as follows: National Bank of the Republic of Macedonia, the banks that have obtained license to perform payment operations and the Treasury at the Ministry of Finance.

Participant in the payment operations may be any domestic or foreign, legal entity or individual performing registered activity or other individual who makes denar payments through the institutions responsible for conducting payment operations.

Payment system in the Republic of Macedonia offers efficiency, functionality and transparency in the way of conducting the financial transactions and connecting the legal entities with their banks. The payment operations rely upon the three settlement sub-systems, as follows:

- The NBRM system called MIPS is on the top of the pyramid, through which the interbank payments on high amounts (over 1 million denars) are executed and each individual transaction is settled in real time through the accounts of banks with NBRM. Therefore, this type of payment is more expensive and is used for payments on higher amounts and for urgent payments.
- The second settlement system is the Clearing House which is intended for execution of the credit payment orders (to 1 million denars), which are sent in packages, and the settlement is carried out at multilateral net principle. Settlement of the net positions of banks is exercised at the end of the working day in the NBRM system. Therefore this type of payment is used for execution of small and non-urgent payment orders. The funds processed through this system can be used by the beneficiary upon completion of the settlement.
- Payments between entities which are clients of the same business bank are settled through the internal payment system of the bank. These payments are the cheapest and are executed at the moment of processing of the payment order. The higher is the number of account holders with a bank the bigger is the possibility to use this payment system.

All the accounts opened with banks are registered in a register of the account holders (ERIS) kept by the Clearing House, to which all the banks are obliged to submit data from their register of account holders.

Payment instruments that are most frequently used in the domestic payment operations, prescribed by “the Guidelines on the form and contents of the payment instruments for conduct of the domestic payment operations” (Official Gazette of RM 43/2001 and 103/2001), are as follows:

- Payment slip (form PP10);
- Order for cash payment (form PP40);
- Transfer order (form PP30);
- Public revenue order (form PP50);
- Total order for payment of the entire salary (form PP53)

VI. INTERNATIONAL PAYMENT OPERATIONS

International payment operations is a non-cash way of transfer of foreign currency from and to the Silk Road AD Skopje.

VI.1 Payments abroad

In order to send funds abroad by payment order you need to know the following information:

1. Name and surname of the person or name of the company - beneficiary of the payment;
2. Address;
3. Number of account or IBAN (applicable for more West-European countries);
4. Name of the bank the beneficiary holds account with;
5. Address of the bank or the branch;
6. Number of the branch, i.e. Sort Cod, ABA number or BLZ (if possible);
7. SWIFT Code of the bank (the code is obligatory).

VI.2 Receipt of funds from abroad

In order to receive funds from abroad you need to give the sender the following information (Instructions for receipt of assets are made out at all counters of our bank):

1. Name and surname;
2. Address;
3. Number of account or IBAN (you can get it **any counter of the Bank**);
4. Name of our bank SILK ROAD BANK AD SKOPJE;
5. Address of the bank Dame Gruev 1;
6. Our **SWIFT** code. **KRSKMK2X**

The cheques that are not collected from the foreign bank shall be charged with fees of the foreign bank.

VI.3 Rules of the international payment operations - Residents

A) Rules for sending money

Citizen of the Republic of Macedonia – resident can send funds abroad to another person – citizen in foreign country – non-resident in maximum amount of EUR 2,500 per month.

Citizen of the Republic of Macedonia – resident can send funds abroad to legal entity with head office in foreign country – non-resident in unlimited amount, but in this case, a valid document must be provided

from which the purpose of payment can be seen: invoice, pro-forma invoice, agreement or etc.

Transfers abroad to domestic citizens – residents concerning family costs of living (stay abroad for the purpose of education, medical treatment and etc) as well as private transfers in counter value of EUR 2,500.00 per month can be realized without providing an appropriate document, information is sufficient. For transfers in amount over EUR 2,500.00 providing of a document is compulsory on the basis of which the purpose of payment can be established.

Any transfer of an individual – resident on his/her own account with a foreign bank shall be subject to the rules of the Decision on the manner and the terms under which the residents, which are not authorized banks, may open and hold accounts abroad and the additions thereto (Excerpt from the Decision).

Pursuant to the Law on Foreign Exchange Operation and the Guidelines on the way of performing the international payment operations (Official gazette 78/11) for residents of the republic of Macedonia it is prohibited to make transfer of funds abroad for purchase of real estate, life insurance and credit insurance and for purchase of equity securities and debt securities.

B) Rules for receiving funds:

Citizen of the Republic of Macedonia – resident can receive funds from abroad from another person-citizen of foreign country – non-resident in an unlimited amount.

Any individual who is citizen of the Republic of Macedonia – resident may receive funds from his/her account abroad in accordance with the Decision on the manner and the terms under which the residents, which are not authorized banks, may open and hold accounts abroad and the additions thereto (Excerpt from the Decision).

Citizen of the Republic of Macedonia – resident can receive funds from a legal entity with head office in foreign country – non-resident in an unlimited amount, but information about the purpose of payment must be provided.

Depending on the client's information, the Bank, according to the Law, can require valid document from which the purpose of payment can be seen, especially if the inflow classifies in the group of capital transfers.

The beneficiary of payment must, within 5 working days from receipt of the notification sent by the Bank, submit all the required data in order to have the funds credited on his account.

Due to the specific procedure of the International Payment Operations and existence of the so called foreign currency control (regime) you are recommended prior to each intention for execution of any foreign currency transaction to consult our employees in the Branches, telephone: +0389 2 3289 415 or to read the Guidelines on the way of performing the international payment operations (Official gazette 78/11), especially points 27, 28, 38, 41 and 42. The same information can be found on the web site of the National Bank of the Republic of Macedonia www.nbrm.mk.

VI.4 Rules of the international payment operations for non-residents

With the international payment operations, there are no limitations for the Individual clients – non-residents when transferring funds in and from the Republic of Macedonia, as well as when transferring funds from and to the accounts opened with the banks in the Republic of Macedonia.

VII. OVERDRAFT FACILITIES

The Bank approves overdraft facility on transaction accounts receiving regular monthly inflow from full-time employment.

Approving of the overdraft facility is carried out upon acceptance of the offered pre-agreement terms by the customer, made at his written request, based on previous analysis of his operation with the Bank. Approval of the overdraft facility is individual.

VIII. INTEREST RATES

The Bank applies the following interest rates for operation with the transaction account:*

*The interest rates are in accordance with the currently applicable Decision on interest rates of the Bank, as follows:

- positive interest on positive balance of account
- negative interest on allowed overdraft
- statutory default interest when the allowed overdraft is exceeded

IX. STANDING ORDER

Holder of transaction account may issue a standing order authorizing the Bank in his/her behalf to effect payments of utilities (bills for electricity, heating, home and mobile phones, Internet and cable television), to make transfer to another transaction account, denar passbook with the Bank as well as repayment of loans approved by the bank, from its account **free of charge**.

The account holder may issue a standing order for transfer of funds from his/her transaction account to any other account with the Bank or in other banks, under fees in accordance with the tariff for making payments at the Bank's counters.

X. WEB BANKING/MOBILE BANKING FOR DOMESTIC PAYMENTS

The Bank introduces the internet banking service, designed to allow quick and simple access to your banking account, which offers:

- Free access to your funds wherever you are
- Performing banking transactions at anytime
- Quick and safe non-cash payment
- Free Internal payments
- Free balance check and statements
- Loan balance statements
- Lowest fees

CHARACTERISTICS

The Alpha Web Banking allows you to manage your assets and transactions easily, and offers you a great deal of advantages and benefits:

- **Information**

Thanks to this service, you have free and detailed balance check and information on your account: review of the current balance, review of payment orders, and bank statements. Your Web Banking access allows you to review also the balance of your Loan account in the Bank, the scheduled payments as well as review of the repaid loans.

- **Transaction**
This service lets you carry out quick and secure bank transactions at any time. You can pay orders online and carry out non-cash payments at any time suitable to you, no matter if you are at home, at work or away.
- **Archives**
The Web Banking also offers you a detailed review of all past payment orders, as well as bank statements for the requested dates. Thus, you can check all your past account balances at all times.
- **Service**
Alpha Web Banking also provides you other services, such as information about the current exchange rate list, which is additional benefit to your online transactions in the country and abroad.

XI. PERSONAL BANKING

Personal banking is a separate offer which enables you to save time, provides simpler communication through a personal banker, commodity and first-class treatment in the performance of banking services. It is intended for clients with higher monthly incomes.

WHAT THE CUSTOMER RECEIVE?

A DEDICATED PERSONAL BANKER:

- Advises you and offers you professional advice in all long-term and short-term challenges
- Provides you with commodity, discretion and fast performance of all services and effecting of orders in separately organized rooms
- Informs you on the maturity of your deposits, limits and credits
- Informs you of all novelties in the Bank's operation

PERSONAL GOLD ACCOUNT

- transactional account in all convertible currencies
- A limit in accordance with your needs
- Free-of-charge AMEX CARD
- Statement of your account, once a month, at your the home address

GOLD DEPOSIT

Depending on the amount and time deposit deadline, you have the possibility to invest your funds with stimulative interest rates.

OTHER BENEFITS AND SERVICES

- Fast processing of your credit application
- Lower costs for credit approval
- Personal broker
- Special treatment in all Branch Offices

XII. PHONE BANKING

FOR NON RESIDENT CUSTOMERS

Telephone banking is a service that enables customers to perform a range of financial transactions over the telephone, without the need to visit a bank branch or automated teller machine.

The types of financial transactions which a customer may transact through telephone banking include obtaining account balances and list of latest transactions, electronic bill payments, and funds

transfers between a customer's or another's accounts.

To use a Bank's telephone banking facility, a customer must first register in the Bank for the service. After the performance of KYC procedure, the mobile phone of the customer will be recorded in the system.

To access telephone banking the customer should call a special phone number set up by the Bank. After calling the number, the Bank employee will authenticate the mobile phone and perform identification of the customer through OTC (one time code) received on the customer mobile phone and announced on the Bank employee.

XIII. PROCEDURE FOR BLIND PERSONS

The Bank opens accounts to the blind. Opening an account to a blind person is conducted in presence of two witnesses. One of the witnesses must be an employee of the Bank, or both witnesses may be employed in the Bank. The witnesses read the contents of the Agreement in full as well as the General Conditions for operation of the transaction account. The client confirms the consent that he/she understands and accepts the provisions stipulated by these documents by signing the Statement for applying for a debit or credit card for individuals by a facsimile. The witnesses sign the same statement with full name, surname and signature stating that the client is familiar with the contents of the documents and that he/she accepts and signs them. The client is issued a signature specimen card for the transaction account for which the signature is sent by facsimile, which will be used by the client in future when exercising transactions on the account.

XIV. PROCEDURE FOR MINORS or PERSONS WITHOUT CONTRACTUAL CAPACITY

The Bank's account of a minor/persons without contractual capacity could be established by the legal representatives of the minor/persons without contractual capacity.

In order the bank account to be opened it should attend the legal representatives (both parents or in cases of absence of one parent then accessed by the parent and the filing of a certified notary statement of consent of the absent parent) or guardian who, on behalf of a minor/persons without contractual capacity will sign the entire documentation, submitting legal act to prove the capacity of legal representatives and document identification (biometric passport and identity card)

All documentation is retained in the copy of the file to open an account.

XV. CONFIDENTIALITY

The data in the transaction account is Bank's business secret.

The data, documents and information about clients, accounts and transactions may be disclosed in the following cases:

- if a law prescribes disclosure of data and information
- if the client has issued written approval to the Bank for data disclosure
- on written request of the public prosecution office or by a competent court for conducting procedures within its competencies
- for the needs of the National Bank of the Republic of Macedonia or other supervisory body authorized by law
- at written request of the Internal Revenue Office for management with the proceedings within its jurisdiction
- if the data are disclosed to the Money Laundering and Terrorism Financing Prevention Bureau, in compliance with the law
- if data are disclosed to the Financial Police Bureau, in compliance with the law
- at written request of the State Foreign Exchange Inspectorate for control over foreign exchange operations

- at written request of the Deposit Insurance Fund, in compliance with the law
- if data are announced for the needs of the functionality of NBRM Credit Register
- if data are disclosed for the purposes of credit risk management of other members of a banking group or a banking group whose parent entity is seated outside the Republic of Macedonia, the bank is a member of,
- on written request of the enforcement agents in accordance with the law, and
- if data are provided to the Ministry of Labor and Social Policy, the Employment Agency of the Republic of Macedonia and the Health Insurance Fund of Macedonia, for the purposes of performing their responsibilities and in accordance with data protection regulations, only if the bank has signed a memorandum of cooperation with these institutions.

XVI. DOCUMENTS for opening an account

Physical Persons – residents identity shall be established by submitting valid original official document (ID, passport) or a notarized copy of the original that bears a photo of the client.

Physical Persons-non residents identity shall be established by submitting valid original official document ID card (for EU citizens and Albania, Serbia, Montenegro, Kosovo) and passport or a notarized copy of the original document that bears a photo of the client.

Resident legal entity:

- Decision on entry in the Central Registry (Trade registry) i.e. register of the competent body of the RM (if the registration is stipulated by law)
- Act from competent founding body (if the entity is not entered in the registry)
- Extract from the law (if the entity was founded in accordance with the law)
- Decision from competent court for initiating bankruptcy or liquidation procedure
- Application for authorized signatories who shall dispose with the account funds, with stamp and signature used for certifying the payment instruments and identification document of the authorized person (ZP form)
- Statement for acceptance and realization of acceptance orders issued as at 30 June 2001 (for persons performing activity before 2002)
- Proof that the account was transferred from the Ministry of Finance - Public Revenue Office (for persons who did not migrate in 2001 from the Payment Operations Bureau)
- Financial Reports, if necessary, based on risk assessment

Non-resident legal entity:

- Documentation for their legal status - Document for founding the legal entity or Document for partnership or Document for association or Work permit.
- Original or notarized copy of the extract from the registry where the legal entity has been registered in the domicile country issued in the previous 3 months, which confirms that the legal entity works and is not under liquidation. The document should contain the following data: date of company establishment, name of the company, tax number, permanent address, head office, the main activity, the capital of the company, owners, legal representatives, Board of directors and representatives. The statement can not be dated older than 3 months and should be submitted to the Bank every year.
- Original passport of the persons - legal representatives of the foreign company – stated as owners on the registration
- Notarized - written authorization signed by the legal representative of the persons authorized to operate with the account.
- Document comprising confirmation and/or description of the main activity of the legal entity if not exist as a data in the Trade Registry

- Document proving the tax number of the legal entity (certificate from competent authority) if not exist as a data in the Trade Registry
- Data of the management body and the representatives authorized to arrange business relations on behalf of the entity, if not exist as a data in the Trade Registry
- Financial Reports, if necessary, based on risk assessment – mandatory for high risk customers – legal entities

Prior to establishing business relation, in addition to delivering the above mentioned data, the customers fills out an Application for identification/update of clients data and Signature specimen.

The procedure is finished with conclusion of Agreement for establishment of business relation and opening an account and Customer receipt of the General Terms and Conditions for establishment of business relation with SILK ROAD BANK AD SKOPJE.

With the receipt of the General Terms and Conditions the Customer confirm that fully understand the conditions and criteria of the offered banking services and accepts the potential risk which might be exposed.

XVII. UPDATING THE DOCUMENTATION OF THE ACCOUNT HOLDER

The Account Holder shall be obliged, within 1 year from establishing of business relation and opening an account, to update the documentation in the Bank by submitting a completed application for identification/updating customer data and submitting a document for identification of the legal person, identification of the legal representative or the person authorised by the Account Holder.

The Bank will notify the Account Holder on the requirement to update the data 30 days before the expiry of the agreed date.

If the Account Holder fails to update the data within the deadline and fails to submit the required documentation the Bank will restrict the use of the account and will not permit the Account Holder to make payments through the account until the necessary documentation is updated (restricted account).

According to the legislation, internal acts, and the risk analysis regarding regulatory non-compliance, the Bank may set a shorter or longer period for updating the data, upon prior notification of the changed deadline by the Bank.

The failure of the Account Holder to update its data, upon timely notification by the Bank may constitute grounds for unilateral termination of the Agreement and closing of the account.

The Bank shall not be liable for any losses caused by non-compliance with the obligations for updating the data.

XVIII. TRANSITIONAL PROVISIONS

The Bank has right to change the criteria and conditions under this General Terms and conditions due to significant changes in the cost of funding sources, significant changes in market conditions, business policy of the bank or modifications of the domestic or international regulatory framework.

The Bank will publish the changes on the General Terms and Conditions on the Bank's web site and Bank's branches and also the customers will be accordingly informed for the respective modifications in due time through the following notifications channels: Web banking, CIS Application and e-mail.