

*Appendix No. 12
to the minutes
of the General Meeting of Shareholders
of JSCB “ASIA ALLIANCE BANK”*

APPROVED
by the decision
of the General Meeting of Shareholders
of JSCB “ASIA ALLIANCE BANK”
No. AC-1/2022 as of July 11, 2022

**REGULATION
ON THE MANAGEMENT BOARD
OF JOINT-STOCK COMMERCIAL BANK
“ASIA ALLIANCE BANK”**

new wording

I. GENERAL PROVISIONS

1. The present Regulation is developed in accordance with the laws of the Republic of Uzbekistan “On Joint Stock Companies and Protection of Stockholders’ Rights” and “On Banks and Banking Activities”, as well as other regulatory legal acts of the Republic of Uzbekistan, the Charter of the Bank and determines the status of the Management Board of the Joint-Stock Commercial Bank “ASIA ALLIANCE BANK” (hereinafter referred to as “the Bank”), being the collegiate executive body of the Bank, the procedure of election (appointment) of its members, their rights and obligations, regulates the work of management body of the Bank.

2. The Management Board of the Bank carries out operative management of the Bank in accordance with the strategy and activity management system approved by the Supervisory Board of the Bank, and independently takes decisions on issues within its competence. The Management Board of the Bank is fully responsible for the activities of the Bank.

3. The Management Board is accountable to the General Meeting of Shareholders and the Supervisory Board of the Bank.

4. Primary objectives of the Management Board are:

- ensuring sustainable development of the Bank in all areas of banking activities;

- strengthening the Bank in the financial market, fulfillment of its obligations to customers, comprehensive improvement of quality of their service;

- organization and implementation of management of operational activities of the Bank;

- implementation of strategic goals, corporate governance policy, and other internal policies of the Bank, including on identification, management, monitoring and informing of risks, maintaining capital adequacy at the proper level;

- ensuring appropriate and transparent organizational structure of management of the Bank, including the distribution of powers and responsibilities among employees of the Bank within their powers;

- control over the activities of the Bank’s employees;

- fulfillment of the adopted annual business plan of the Bank, as well as periodic submission to the General Meeting of Shareholders and the Supervisory Board of the Bank of a report on the work done, measures and sanctions applied to the Bank.

II. PROCEDURE OF ELECTION (APPOINTMENT) AND TERMINATION OF POWERS OF THE MANAGEMENT BOARD

5. The Management Board consists of 7 (seven) people who are elected (appointed) for a period of three years. The Management Board includes Chairman of the Management Board, Deputy Chairmen of the Management Board as well as other heads of structural divisions of the Bank the most important areas of the Bank's activities.

6. Members of the Management Board must have an impeccable business reputation, have the experience, knowledge and skills necessary to ensure effective risk management of the Bank, make informed decisions within their powers.

The Bank is obliged to ensure that the members of the Management Board always comply with the requirements of the law on banks and banking activities.

7. The Chairman of the Management Board is appointed on their positions by decision of the General Meeting of Shareholders by a majority vote of shareholders holding voting shares of the Bank (by simple majority) participating in the meeting.

Members of the Management Board are appointed by the decision of the Supervisory Board of the Bank by a simple majority of votes participating in the meeting.

8. The Central Bank agrees on the candidacies of persons nominated for members of the management Board prior to their assumption of office. In this case the terms of assessment, documents required for assessment, criteria for compliance with qualification requirements, as well as the procedure for approval of members of the Management Board are determined by the Central Bank.

9. Nominations for the position of Chairman and members of the Management Board are carried out in the manner prescribed by law.

10. A candidate to a position of Chairman or member of the Management Board is obliged to notify to the members of the Supervisory Board of the Bank about the facts of his/her bringing to criminal, administrative or other responsibility.

11. Candidates for the position of Chairman of the Management Board of the Bank may attend the General Meeting of Shareholders when considering their candidacy.

12. Presenting one or another candidacy for a position of Chairman or member of the Management Board, the Chairman of the Supervisory Board informs about the terms for concluding an agreement, amount of salary, remuneration and compensation for managerial activity, and the consent of a candidate to conclude an agreement, verified by personal statement of a candidate.

13. After election (appointment) of candidacy for position of Chairman or member of the Management Board, the Chairman of the Supervisory Board of the Bank or the person authorized by the Supervisory Board of the Bank concludes contract (agreement) with each of them on behalf of the Bank for fulfillment of the duties of the Chairman or member of the Management Board for a period of three years. Agreement is concluded when an elected member of the Management Board holds another position in the Bank under an employment contract, otherwise a fixed-term employment contract is concluded with a member of the Management Board of the Bank by position. Agreement concluded with the Chairman of the Management Board must provide for his obligations to improve the efficiency of the Bank's activities and the frequency of his reports to the General Meeting of Shareholders and the Supervisory Board of the Bank.

14. Persons elected to the Management Board may be re-elected unlimited times.

15. Agreement concluded with a member of the Management Board (including the Chairman of the Management Board) of the Bank may be early terminated (cancelled) by the Supervisory Board of the Bank on the following grounds:

- on the basis of an application by a member of the Management Board of the Bank;

- when a member of the Management Board of the Bank commits gross violations of the charter of the Bank;

- when a member of the Management Board inflicts losses on the Bank by his actions (inaction);

- if a member of the Management Board of the Bank violates the terms of the agreement concluded with him.

16. Decision on termination (cancelation) of agreement with the Chairman (member) of the Management Board is taken by a simple majority of votes.

17. Powers of a member (including the Chairman) of the Management Board of the Bank may be terminated by court decision, with a ban on taking a managerial position in business companies for a period of at least one year, if court finds him guilty of causing property damage to the Bank

18. If the General Meeting of Shareholders of the Bank makes a decision to terminate the powers of the Chairman of the Management Board, the issue of transferring the powers to another person may be resolved at the same meeting or left for consideration at the next general meeting of shareholders with the appointment of a caretaker of the Chairman of the Management Board of the Bank.

19. Termination of powers of member of the Management Board does not entail dismissal from the relevant position held in the Bank, except for Deputy Chairmen of the Management Board who are the members of the Management Board ex officio. Termination of employment of a member of the Management Board in the Bank entails termination of membership in the Management Board.

20. Powers of member of the Management Board are considered terminated from the date determined in the decision of the authorized management body of the Bank, and if it is not defined, from the date of its adoption, or from the date of termination of the employment contract (agreement) in the case provided for by clause 17 of this Regulation.

21. A secretary of the Management Board, who is not a member of the Management Board and is appointed by the Management Board, ensures the activities of the Management Board during meetings and in the period between meetings, as well as organizational and methodological work on the preparation of meetings of the Management Board.

22. In the period of temporary absence of a secretary of the Management Board, his/her functions are performed by an employee of the Bank whose candidacy is approved by the Management Board at a regular meeting on proposal of the Chairman of the Management Board, which is recorded in the minutes of the meeting of the Management Board.

23. A secretary of the Management Board:

- formulates agenda of a regular meeting of the Management Board from the number of issues proposed for discussion of the Management Board in the manner provided for by this Regulation, and presents it for approval to the Chairman of the Management Board;

- notifies the Chairman of the Management Board about presence of quorum for holding a meeting of the Management Board;

- keeps and prepares minutes of meeting of the Management Board;

- keep records and stores materials submitted for consideration of the Management Board;

- notifies members of the Management Board and persons invited to a meeting, about the date, place and time of a meeting of the Management Board and sends the materials to members of the Management Board on agenda issues;

- provides technical and organizational assistance to members of the Management Board during preparation of issues of agenda of a meeting of Management Board and holding meetings of Management Board;

- prepares and signs minutes of meetings of the Management Board, extracts from minutes of meetings of the Management Board and certifies copies of minutes of meetings of the Management Board;
- distributes extracts from minutes of meetings of the Management Board in order to ensure their execution;
- provides extracts from the minutes of meetings of the Management Board to heads of structural divisions of the Bank at their request;
- performs other functions assigned to secretary of the Management Board by this Regulation, as well as by decision of the Management Board of the Bank.

III. RIGHTS AND OBLIGATIONS OF THE MANAGEMENT BOARD OF THE BANK

24. The Management Board of the Bank, when exercising its rights and fulfilling its obligations, must act exclusively in the interests of the Bank, exercise its rights, and fulfill obligations towards the Bank in good faith and reasonably.

25. Powers of the Management Board of the Bank:

organization and implementation of effective operational management of the current activities of the Bank;

ensuring the implementation of decisions of the General Meeting of Shareholders and the Supervisory Board of the Bank;

creation of the necessary conditions for the work of the General Meeting of Shareholders, the Supervisory Board of the Bank and other bodies;

consideration of the Bank's statements, including statements prepared in accordance with international accounting standards;

making decisions on the publication of financial statements prepared on the basis of international accounting standards;

development and implementation of the current economic policy of the Bank in order to increase its profitability and competitiveness;

determining the prospects for the development of demand for the Bank's services, new areas of its activities;

determination of the procedure for the introduction of new types of services in the Bank and development of relevant internal regulatory documents on them;

making decisions on the development of tactics for the Bank's actions in the financial market;

submission to the Supervisory Board of the Bank of an action plan to eliminate deficiencies identified as a result of audits carried out in the Bank by external audit organizations, the Central Bank of the Republic of Uzbekistan, organization of work to implement the above action plan;

elimination of deficiencies identified by the Bank's auditors, as well as submission to the Supervisory Board of the Bank of the results of the work done following the results of the audit conducted by the Bank's auditors;

development of long-term and current business plans for the Bank's activities;

approval of prices and tariffs for the Bank's services;

approval of internal documents of the Bank governing the issues of the current activities of the Bank, standard forms of instructions, rules, procedures, other internal documents related to the competence of the Management Board of the Bank;

solving the main issues of organizing the labor process, including the work schedule, labor protection and safety, social development, as well as material and moral incentives for the Bank's employees;

making a decision to cover the "bad" asset at the expense of reserves to cover possible losses by the Management Board of the Bank and informing the Supervisory Board of the Bank about this within three days;

control over the organization of the Bank's activities;

establishment of responsibility for the implementation of decisions of the Supervisory Board of the Bank, implementation of the Bank's strategy and policies;

consideration of materials and results of periodic evaluations of the Bank's performance;

creation in the Bank of effective systems for the transfer and exchange of information, ensuring the flow of the necessary information to the users interested in it. Information transfer and exchange systems include all documents defining the Bank's operating policy and procedures;

participation in the process of banking risk management and banking risk assessment;

creating conditions for effective management of banking risks, including:

a) ensuring the adoption of internal documents defining the rules and procedures for banking risk management in order to comply with the basic principles of their management approved by the Supervisory Board of the Bank;

b) distribution of powers and responsibilities for banking risk management between heads of departments at various levels, providing them with the necessary resources, establishing a procedure for interaction and reporting;

making decisions on the issue of the Bank's certificates of deposit, approving the conditions for issuing and circulating certificates of deposit, as well as making amendments and additions to them;

reputational risk management of the Bank;

other powers in accordance with law of the Republic of Uzbekistan, the Charter and internal documents of the Bank.

26. Members of the Management Board and the Chairman of the Management Board may hold positions in management bodies of other organizations only with the consent of the Supervisory Board of the Bank with the exception of other banks or organizations in which their employment may lead to a conflict of interests.

27. Decisions of the Management Board are binding on all divisions and employees of the Bank.

The Management Board of the Bank is entitled to:

require fulfillment of the decisions made by the Management Board from all divisions and employees of the Bank;

require provision of information, materials, certificates, explanations, etc. necessary from divisions and employees of the Bank for implementation of the functions of the Management Board;

if necessary, invite any employees of the Bank for participation in the work of the Management Board and hear them at meetings;

establish working bodies or task groups for certain areas of operation of the Management Board.

By decision of the Chairman of the Management Board, the results of work of certain divisions or the Bank in the whole may be presented for review of the Management Board for the purpose of assessment of efficiency and sufficiency of the actions for reduction of problem assets.

28. Members of the Management Board are entitled to:

1) acting in a collegiate executive body of the Bank, resolve issues related to the management of current activity of the Bank;

2) receive and require information in full on activities of the Bank, get acquainted with any internal and other documents of the Bank;

3) provide certificates, make statements, make proposals on agenda issues of meeting of the Management Board;

4) introduce written proposals on formation of quarterly work plan of the Management Board, agenda of meeting of the Management Board;

5) demand convocation a meeting of the Management Board;

6) express in written form his disagreement with decisions of the Management Board and bring it to attention of the Supervisory Board of the Bank;

7) demand entering his dissenting opinion on decisions taken on agenda issues to the minutes of meeting of the Management Board;

8) exercise other rights provided for by law of the Republic of Uzbekistan, the Charter of the Bank, this Regulation and contract / agreement concluded between each of them and the Bank.

29. The Chairman and members of the Management Board, when exercising their powers, are obliged to:

1) comply with the requirements of law of the Republic of Uzbekistan, the Charter of the Bank and its internal documents, as well as decisions of other management bodies of the Bank;

2) not assume obligations and not take actions that may lead to a conflict of their interests and the interests of shareholders, creditors and customers of the Bank;

3) be loyal to the Bank and not to use the Bank's capabilities, namely, the property of the Bank, property and personal non-property rights belonging to the Bank, insider information about the Bank's plans and intentions, for purposes other than those provided for by the Charter of the Bank and this Regulation, including not to use own official position and the information received about the Bank's activities for personal interests;

4) disclose information on holding of securities of the Bank as well as on sale and/or purchase of securities of the Bank in the manner prescribed by the law of the Republic of Uzbekistan and internal documents of the Bank;

5) comply with the requirements and procedure for access to banking, commercial secrets of the Bank, confidential information, as well as to other information, access to which is limited by law of the Republic of Uzbekistan, internal documents of the Bank and / or decisions of the management bodies of the Bank, provided for by law of the Republic of Uzbekistan and / or the internal documents of the Bank;

6) not to disclose banking secrets, commercial secrets of the Bank, confidential information, as well as other information, access to which is limited in accordance with law of the Republic of Uzbekistan, internal normative acts of the Bank and / or decisions of the management bodies of the Bank, which became known to him due to performance of functions of member of the Management Board;

7) take actions necessary to submit urgent issues for consideration by the Management Board in cases where delay in resolving these issues may entail negative consequences for the Bank;

8) be present at meetings of the Management Board, participate in discussion of agenda issues and express only reasoned arguments or objections on the merits of the issues under consideration, vote when making decisions on agenda issues;

9) endorse minutes of meetings of the Management Board;

10) submit to the Bank in written form (directly or via secretary of the Management Board):

a) information about the executed or proposed transactions known to them, in which they can be recognized as affiliated persons;

b) information about his intention to become a founder / participant / shareholder of another legal entity;

c) information on his intention to conclude a deal with shares of the Bank;

d) personal data, information about places of work, his affiliated entities once after his appointment as a member of the Management Board, as well as changes occur within a period not later than 5 (five) working days from the date of the relevant changes;

e) information on shares of the Bank holding by them, indicating their number and categories (types) not later than 5 (five) working days from the date of acquisition of shares;

f) other information that, in the opinion of a member of the Management Board, is essential for the Bank to comply with the requirements of law of the Republic of Uzbekistan and for the Bank to achieve its objectives;

11) perform other obligations provided for by law of the Republic of Uzbekistan, the Charter of the Bank, this Regulation, other internal documents of the Bank and contract concluded between each member of the Management Board and the Bank.

30. Members of the Management Board of the Bank perform their obligations on a professional basis, reasonably fulfillment of all obligations arising from law, the Charter and decisions of the management bodies of the Bank.

31. Members of the Management Board of the Bank, including the Chairman, when exercising their rights and fulfilling their obligations, are responsible in the prescribed manner.

Members of the Management Board who did not take part in the vote or who voted against the decision that caused the Bank's losses are not liable, except for the cases provided for in Article 90 of the Law of the Republic of Uzbekistan “On Joint Stock Companies and Protection of Stockholders’ Rights”.

32. A member of the management Board of the Bank may be held liable for damage caused to the Bank as a result of providing misleading or knowingly false information, or a proposal to conclude and (or) make decisions on concluding a major transaction and (or) a transaction with affiliated persons with the purpose of obtaining by them or their affiliated persons profit (income).

33. By decision of the Supervisory Board of the Bank, members of the Management Board may be paid remuneration and/or compensation of the expenses related to performance of functions of members of the Management Board in the period of performance of their obligations.

34. Amount of salary and remuneration of the Management Board are in direct dependence of efficiency of Bank’s activity.

IV. POWERS OF THE CHAIRMAN OF THE MANAGEMENT BOARD OF THE BANK

35. The Chairman of the Management Board of the Bank organizes and manages the work of the Management Board of the Bank, decides all issues of the current activities of the Bank, except for issues referred to the competence of the General Meeting of Shareholders of the Bank and the Supervisory Board of the Bank, including exercising the following powers:

- acts on behalf of the Bank without a power of attorney, including representing its interests, concludes transactions and signs documents on behalf of the Bank;
- organizes preparatory work for the opening of branches of the Bank;
- approves the staff, issues orders, instructions and gives instructions that are binding on all employees of the Bank;

- appoints heads of structural divisions of the Bank (except for employees appointed in accordance with law, the Charter and / or internal documents by the Supervisory Board of the Bank, or by the General Meeting of Shareholders);
- approves Regulations on the structural divisions of the Bank (except for the regulations approved by the Supervisory Board of the Bank), job descriptions of employees of the Bank;
- distributes responsibilities among the structural divisions of the Bank and employees of the Bank, in specific areas;
- signs internal normative acts approved by the Management Board of the Bank;
- manages the property and funds of the Bank in accordance with applicable law and within his competence;
- issues powers of attorney on behalf of the Bank;
- in accordance with the labor law of the Republic of Uzbekistan, accepts and dismisses employees, encourages and imposes disciplinary sanctions on them;
- on behalf of the Bank, concludes employment contracts with the heads of the branches of the Bank;
- submits to the meetings of the Supervisory Board of the Bank proposals on development strategy of the Bank and methods of its implementation;
- ensures preparation and holding of the General Meetings of Shareholders and meetings of the Supervisory Board of the Bank, as well as implementation of their decisions;
- other powers (rights) in accordance with law of the Republic of Uzbekistan, the Charter and internal documents of the Bank.

V. ORGANIZATION OF WORK OF THE MANAGEMENT BOARD OF THE BANK

36. Meetings of the Management Board of the Bank are held as needed, but at least once a month. Issues submitted by the Management Board for decision by the Supervisory Board or the General Meeting of Shareholders are discussed in advance at meeting of the Management Board of the Bank in mandatory order. The point of view of the Management Board of the Bank at meeting of the Supervisory Board and the General Meeting of Shareholders are reported and defended by the Chairman of the Management Board or a member of the Management Board authorized by him.

37. The Chairman of the Management Board, members of the Supervisory Board and the Management Board of the Bank, heads of divisions and services of the Bank are entitled to propose issues for discussion at meeting of the Management Board.

38. The Management Board of the Bank is authorized to resolve issues included in agenda of its meeting if more than 50 percent of members of the Management Board are present at the meeting. If the number of members of the Management Board becomes less than the number constituting the specified quorum, the Supervisory Board of the Bank is obliged to take decision on the election (appointment) of members of the Management Board.

39. When resolving issues at meetings of the Management Board, each of its members has one vote.

40. All decisions are taken by the Management Board by a simple majority of votes from the number of members of the Management Board present at the meeting. In case of equality of votes of members of the Management Board, the vote of the Chairman of the Management Board is decisive.

41. All materials on issues included in agenda are prepared by the responsible structural divisions and, if necessary, are coordinated with other interested divisions of the Bank. Materials are also coordinated with member of the Management Board in charge of the structural division responsible for the preparation of materials and are provided to secretary of the Management Board, no later than three days before the meeting.

42. Provided materials must be brief, but, at the same time, contain a comprehensive analysis of the issues submitted to the Management Board. When submitting for consideration an issue related to making a decision to conduct banking operations and transactions, as well as in other necessary cases, materials must contain economically justified conclusions with the necessary calculations.

43. Draft decisions of the Management Board must be coordinated with the structural division implementing legal support of the Bank's activities, other interested structural divisions and members of the Management Board.

44. Taking into account the received materials submitted to the Management Board for consideration, secretary of the Management Board prepares a draft agenda of meeting of the Management Board and submits it to the Chairman of the Management Board for approval. At the same time, the Chairman of the Management Board is presented for approval with a list of heads and employees of structural divisions who must attend a meeting of the Management Board when considering relevant issues.

45. Secretary of the Management Board informs the participants in advance of the meeting of the Management Board, informing them of the date, time and place of the meeting of the Management Board, and also organizes the mailing of materials on agenda issues of meeting of the Management Board to members of the Management Board, and on the basis of the list approved by the Chairman of the Management Board, to persons invited to meeting of the Management Board. All notices, notifications and other necessary documents related to agenda of upcoming meetings of the Management Board are sent by secretary of the Management Board to members of the Management Board by e-mail.

46. The Chairman of the Management Board is entitled to convene unscheduled meetings of the Management Board for resolving issues requiring prompt resolution.

47. Meetings of the Management Board, if there is a quorum, are opened by the Chairman of the Management Board, who proposes members of the Management Board to approve agenda for this meeting.

During a meeting of the Management Board, at the suggestion of the Chairman of the Management Board or member of the Management Board, amendments to the approved agenda of the meeting may be introduced by taking an appropriate decision by majority vote of presented members of the Management Board.

48. During meeting, the Chairman of the Management Board, as well as any of members of the Management Board, may make proposals on the procedure for holding meeting of the Management Board, including the postponement of a decision, the closure of debate and other procedural issues.

49. Minutes of the meeting of the Management Board are drawn up by secretary of the Management Board no later than three working days from the date of the meeting and signed by all members of the Management Board.

50. Minutes indicates:

- place and time of the meeting of the Management Board;
- personal composition of members of the Management Board participating in the meeting;
- agenda of the meeting;
- main provisions of the speeches of those present at the meeting;
- issues put to vote and voting results on them;
- decisions made by the Management Board.

Minutes may also contain other necessary information.

51. Secretary of the Management Board keeps originals of minutes of meetings of the Management Board. Minutes are numbered with continuous end-to-end numbering in chronological order, formed in a separate dossier.

52. A copy of minutes of meeting of the Management Board, no later than the day following the day of signing the minutes of the Management Board, is sent by e-mail to heads of structural divisions who are responsible for implementing decisions of the Management Board and other structural divisions of the Bank as instructed by the Chairman of the Management Board.

53. Minutes of meetings of the Management Board are presented to members of the Supervisory Board of the Bank, internal audit service of the Bank at their request, as well as to other persons and bodies (including government bodies) in cases provided for by law.

54. Control over the implementation of decisions of the Management Board is carried out by the Chairman of the Management Board, the organization of this control is entrusted to secretary of the Management Board. In the frame of such control, secretary of the Management Board is entitled to request heads of responsible divisions about the progress of the implementation of decision of the Management Board. Heads of structural divisions responsible for the implementation of decisions of the Management Board are personally responsible for the timely and high-quality implementation of decisions made. At the end of the established period, they are obliged to inform secretary of the Management Board about the implementation of the relevant decision of the Management Board, who, in turn, reports this information to the Chairman of the Management Board of the Bank.

55. In the remaining part not regulated by current law of the Republic of Uzbekistan, the Charter of the Bank and this Regulation, the procedure and rules of operation of the Management Board as well as the regulations of holding its meetings are determined by the Management Board at its discretion.

VI. FINAL PROVISIONS

56. The present Regulation comes into force from the date of registration of the Charter of the Bank in new wording in the Central Bank of the Republic of Uzbekistan.

57. In case of changes in law of the Republic of Uzbekistan, as a result of which some of the provisions of this Regulation come into conflict with the law, this Regulation continues to operate in the part that does not contradict law. The provisions of the Regulation, which have come into conflict with law of the Republic of Uzbekistan, are no longer valid, and the activities of the Management Board in this part are regulated by the relevant norms of law of the Republic of Uzbekistan.