

**APPROVED**

by the decision of the General Meeting of  
Shareholders PJCB ORIENT FINANCE  
Minutes № 1 dates May 31, 2017

**Chairman of the General Meeting of Shareholders**  
**Polatov S.D. /signature/**

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**THE REGULATION OF THE EXECUTIVE BOARD OF  
THE PRIVATE JOINT-STOCK COMMERCIAL BANK «ORIENT FINANCE»  
(new addition)**

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**Agreed with:**

Chairman of the Board of Directors  
Parpiyev B.B. /signature/

Director of the Department of Treasury  
and Financial Analyses  
Sanayev G.N. /signature/

First Deputy Chairman of  
the Board of Directors  
Djunaydullayev T.F. /signature/

Director of the Credit Department  
Ruziyev Z.Z. /signature/

Deputy Chairman of the Board of  
Directors Tuybayev Sh.Sh. /signature/

Director of the Legal Service  
Department  
Usmanov B.M. /signature/

Chief Accountant  
Rakhimov D.T. /signature/

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## **1. GENERAL RULES**

**1.1.** Present Regulation developed in accordance with the Law of the Republic of Uzbekistan “On Joint-Stock Companies and Protection of Shareholders' Rights”, “On Banks and Bank Operations”, “On Private Banking and Financial Institutions and Guarantees of their Activities”, the Charter of the Private Joint-Stock Commercial Bank “Orient Finance” and other regulatory documents.

**1.2.** The Charter determines the status of the Board of the Private Joint-Stock Commercial Bank «Orient Finance» (hereinafter – «The Bank»), the procedure for appointing its members, defines their rights and obligations and regulates its activities.

**1.3.** The Board of the Bank is a collegial executive body of the Bank, manages the current activities of the Bank and responsible for the Bank performance. The Bank Directors reports to the General Board of Stockholders and to the Board (Council) of the Bank.

**1.4.** The Board of the Bank carries out its activities in accordance with the current legislation of the Republic of Uzbekistan, the Charter of the Bank, present Regulation and other internal regulatory acts of the Bank.

## **2. BOARD OF TE BANK FOUNDATION AND THE PROCEDURE OF TERMINATION OF ITS POWER**

**2.1.** Early termination of the powers of the Board of the Bank implemented upon the resolution of the Council of the Bank. Board Members may be appointed unlimited number of times.

**2.2.** The Board Chairman manages the Board of the Bank. The Board of the Bank consist of 7 (seven) members, which are the Chairman of the Board of the Bank, Deputy Chairmen of the Board, Chief Accountant, Head of Legal Service and managers of other head units of the Bank on a submission from the Board Chairman.

**2.3.** The Board Chairman and executive Board members shall be appointed by the Council of the Bank based on the positive findings by a coherences commission to the occupation of the Central Bank of the Republic of Uzbekistan. Generally, the appointment of the Board Chairman and its members can be proceeded base on the election with a participation of foreign managers and based on the Council of the Bank decision.

**2.4.** A candidate for membership in the Board of the Bank shall disclose information that may interfere with his position as a member of the Board of the Bank to members of the Council of the Bank

**2.5.** Candidates for membership to the Board of the Bank must comply with the requirements for heads of commercial banks established by the Central Bank of the Republic of Uzbekistan.

**2.6.** The contract with the Chairman and Board members is made for a period of 1 (one) year, the extension of the validity period of the agreement is reviewed annually at the general meeting of shareholders and appropriate action shall be taken.

**2.7.** Employment agreement with the Board Chairman of the Bank shall be signed by the Chairman of the Council of the Bank or a person, authorized by the Council of the Bank. The Board Chairman of the Bank shall sign employment agreements with members of the Board on behalf of the Bank.

**2.8.** Board members shall act in accordance with legislation, the Bank's Charter, the General Meeting of Shareholders, the Bank's Council, the decisions of the Board and instructions of the Board Chairman, the terms of the employment agreement, and the job description.

**2.9.** The amount of financial incentives of the Chairman and members of the Board of the Bank related to the efficiency and the Bank performance, as well as the results of its independent assessment of the corporate governance system.

**2.10.** The Council of the Bank has right to discontinue (terminate) the contract concluded with the Board Chairman and Board members earlier, if they grossly violate the Charter of the Bank or if they have inflicted the Bank by their actions (inaction).

**2.11.** The dismissal of a member of the Board of the Bank shall be conducted by the Council of the Bank in the following cases:

- In case of giving over of his powers;
- In case if the member of the Board of the Bank neglect his duties and responsibilities set out in present Regulation;
- Upon receipt of relevant instructions of the Central Bank;
- Upon receipt of information that he was discipline for intentional crimes;
- in other cases, stipulated by the current legislation and internal regulatory acts of the Bank.

### **3. MAIN OBJECTIVES, DUTIES AND RESPOSIBILITIES OF THE BOARD OF THE BANK**

**3.1.** Main objectives of the Board of the Bank are:

ensuring the protection of the rights and legitimate interests of shareholders of the Bank;

development, implementation, elaboration of strategies of business development and business plan of the Bank;

implementation of policies to improve the profitability, competitiveness, capacity and quality of bank services;

implementation of the current issues resolutions of the finance and economic activities of the Bank, coordination of activities of its structural divisions;

high return on bank assets, achievement of the maximum rate of return from its activities, ensuring the effectiveness of investments of shareholders;

ensure the effective execution of the General Meeting of Shareholders and Council decisions;

organization and management of the Bank based on modern and advanced principles and methods of the corporate governance;

increase the efficiency of internal control and risk management in the bank.

**3.2.** The Board of the Bank possess exclusive power to resolve all issues related to the Bank management except matters included in the General Meeting of Shareholders and the Council of the Bank credentials.

**3.3.** Duties and responsibilities of the Bank Directors includes:

1) preliminarily considers the matters discussed at the General Meeting of Shareholders and the Council of the Bank, and prepares the relevant documents and draft resolutions. Organizes the execution of decisions of the General Meeting of shareholders and the Council of the Bank;

2) considers matters of the banking operations, deposit taking, asset allocation, credit management, settlements, currency circulation, cash services, organization of the international economic activity;

3) each quarter submits the statements of assets and liabilities and accomplishment of the business and financial plans for the short (yearly) or long-term period (up to 5 years) to the Council of the Bank;

4) develops and implements new types of banking services, ensures the introduction of modern and advanced banking technologies into practice, implements projects for the complete integrated automation of bank operations;

5) determines the general conditions for the provision of settlement services, credit, cash and payment documents and the processing of correspondence;

6) develops and implements credit, investment, dividend, issuance and human resource policy of the Bank, Business plans as well as other written policies and strategies of the Bank's development, and submits them for approval to the General Meeting of Shareholders and the Council of the Bank. Provides implementation of credit and other bank policies, bank development strategy, implementation and promotion of a business plan;

7) Extend credit in accordance with the general terms and conditions of the internal credit policy and conducts credit operations of the Bank, ensures compliance with the regulations of loan documentation;

8) manages the operation of the structural units of the Head Office, branches and representative offices of the Bank, determines the organizational structure of the branches;

9) approves the internal regulatory acts of the Bank, except matters referred to the General Meeting of Shareholders or the powers of the Council of the Bank;

10) approves the status of the Operation Department of structural units of the Head Office (department, administration and divisions)

11) considers and makes decisions on audit records and on reports of heads of structural divisions and branches of the Bank;

12) decides on the selection, placement and training of staff and take disciplinary actions against public officials;

13) make candidacy of the head of the Internal Audit Service proposals to the Council of the Bank;

14) ensures compliance with current legislation of the bank;

15) introduces modern and advanced methods of corporate governance, ensures the implementation of recommendations of the Corporate Governance Code of the Republic of Uzbekistan;

16) organizes accounting and financial reporting in accordance with legislation and international standards, organizes document circulation and its storage, accounting and reporting as well as the state of internal control;

17) submits the performance operation and achieved targets report of the activities of enterprises within the Bank structure in accordance with the approved business plan to the Council of the Bank;

18) establishes specific criteria for entering confidential information, commercial confidentiality and other categories of information that may affect the share price;

19) provides information disclosure of the Bank's activities on the Bank's website and other sources, as required by the law, along with translation into Uzbek, English, Russian and other languages; exchanges information that available for foreign investors with shareholders and investors, media and other interested parties;

20) handle current legislation and other matters specified in the internal regulatory acts of the Bank.

**3.4.** For unconditional execution of the Bank's Charter, present Regulation, specific objectives of the Strategy development and the Bank's Business Plan, as well as the General Meeting of Shareholders, resolutions of the Council of the Bank, the Board of the Bank independently resolves issues within its competence.

**3.5.** The Board of the Bank may decide to conclude transactions or transactions related to the possibility of direct or indirect alienation of property, with at least 15% of the net assets of the Bank during the purchase or transfer of other persons or the total cost of the action on the day of acquisition or disposition

**3.6.** The Board provides storage of the following documents at the Bank:

duly registered the Bank's Charter, amendments and addendum thereto, resolution and Founders Agreement for the Bank creation and license for banking operations

documents confirming the right of ownership of bank balance;

Regulations on the management and supervision organs, amendments and additions to them, other documents approved by the General Meeting of Shareholders, the Council and the Board of the Bank;

regulations on branches and representative offices, changes and addendum to them;

annual financial report, accounting documents, financial reporting documents submitted to the relevant authorities;

minutes of the General Meeting of Shareholders, the Council of the Bank, the Review Committee and the meetings of the Board Directors of the Bank;

list of people associated with the Bank, including the Offering Circular, quantity and the class of stock;

findings of the Review Committee and audit report

other documents stipulated by the legislation, the Bank Charter, resolutions of the governing boards.

#### **4. RIGHTS AND OBLIGATIONS OF THE MEMBER OF THE BOARD OF THE BANK**

**4.1.** Right and obligations of the members of the Board of the Bank determined by the legislation, the Bank Charter, present Regulation and the agreement concluded with each of them for a period of one year.

**4.2.** Members of the Board of the Bank must perform their duties on a professional basis, fulfill all obligations arising from resolutions of the Bank's Charter and the highest governing body, conduct business in the furtherance of their rights and fulfilling their obligations in the interests of the Bank and its shareholders

**4.3.** Right and obligations of the members of the Board of the Bank:

Proposals of agenda tasks, providing information, suggestion on the action plan formation and agenda and call for the Board meeting;

Personally participate in the Board meeting, express their opinions on the discussed subject;

Receive corporate documents, internal regulatory documents of the Bank and familiarization with them; receive full information about the Bank activities;

Express their opinions about the resolutions of the Board, express in writing their objections of the Board decisions and submit it to the Council of the Bank;

Compliance with results of the General Meeting of Shareholders, implement resolutions and instructions of the Council and the Board, compliance with the requirements of legislative acts, the Bank Charter and other internal regulatory documents;

Non-disclosure of confidential information, commercial confidentiality and bank secrecy;

Development and compliance with measures aimed to enhance the strengthening of the Bank's reputation, its development and financial sustainability

Notify the Bank in writing that he was denied a transaction, including the details of the transaction, the subject of the transaction, the details of the fundamental terms condition of the relevant agreement;

Members of the Board have rights and obligations stipulated by the current legislation, the Bank Charter, present Regulation and employment agreement.

**4.4.** Members of the Board of Directors jointly hold position in the management of other organizations allowed only with the consent of the Council of the Bank

## **5. DUTIES AND RESPONSIBILITIES OF THE BOARD CHAIRMAN OF THE BANK**

**5.1.** The Board Chairman of the Bank in accordance with legislation, the Bank Charter, present Regulation and the authority lies with him, managing daily Bank operation, takes the chair of the Bank Directors, taking part in the work of the Bank Council with the consultative vote.

**5.2.** The Board Chairman of the Bank **Председатель** has the following rights and obligations:

- works without a power of attorney on behalf of the Bank including but not limited to work in the interests of the Bank in all enterprises, organizations, institutions, other commercial banks and government authorities;

- makes proposals to the Board on the introduction of additional candidates or on the reduction of number of its members due to changes in the Bank's activities, as well as on the withdrawal of some members from the Board;

- drafts agreements and makes contract on behalf of the Bank, signs documents and issues powers of attorney on behalf of the Bank;

- approves full-time positions and sets salaries;

- appoints and dismisses staff members inclusive of branch and representative offices managers;

- signs employment agreements with the Deputy Chairman of the Board of behalf of the Bank, member of the Board of Directors, Chief Accountant, employees of the Main Bank, managers of branches and representative offices and others employees included in nomenclature of the Main Bank;

- encourages and applies disciplinary sanctions to individual employees;

- delegate duties and responsibilities among his deputies;

- approves job descriptions of employees of the Head Office of the Bank;

- issues memos, gives instructions and orders that are binding for all Bank employees;

- organizes the operation of the Board of the Bank, signs protocols and resolutions of the Board of the Bank;

- ensures the implementation of resolutions of the General Meeting of Shareholders, the Council and the Board of the Bank;

- submit to the General Meeting of Shareholders and the Council of the Bank reports of the Bank the activities in a timely manner;

- ensures the fulfillment of the Bank's contractual obligations

- manages the development strategy of the bank and business plans; organizes and monitors its execution;

- ensures compliance with legal requirements of the Bank's activities;



ensures non-disclosure of information constituting banking and commercial confidentiality, as well as confidential information related to the activities of the Bank;

the Bank participates on behalf of the employer ensures the fulfillment of the obligations set out in the collective labor agreement while concluding a collective agreements and contracts.

**5.3.** The Board Chairman has other rights and obligations in accordance with the law, the Charter of the Bank, present Regulation, other internal regulatory acts of the Bank and the employment contract concluded with him.

**5.4.** In the absence of the Board Chairman of the Bank or his first deputy, one of the deputies temporarily performs the duties of the Board Chairman at the order of the Board Chairman or by resolution of the Council of the Bank.

**5.5.** A person temporarily performing the duties of the Board Chairman of the Bank shall have the rights and obligations imposed by the Board Chairman under the Bank Charter and present Regulation, unless otherwise provided by a resolution of the Council or at the order of the Board Chairman for the temporary assignment of the Board Chairman duties.

## **6. REGLEMENT OF THE BANK MANAGEMENT**

**6.1.** The Bank Board Meetings are held at least once a month. Board meetings are convened on request of the Board Chairman or at least three (3) members of the Board. If necessary, the Board Chairman may convene an extraordinary meeting.

**6.2.** The Board meeting is held jointly by its members either through personal participation or by voting (by survey). Mobile meetings of the Board can be conducted upon the resolution of the Board Chairman.

**6.3.** The Council meetings are held by the Board Chairman and in his absence are handled by one of his deputies. The participation of other persons at the Board meetings, except for its members, is determined by the Board Chairman.

**6.4.** The agenda of the Board meeting is approved by the Board Chairman and the sequence and order (procedure) of consideration of issues is determined by the Board Chairman. Proposals of the Board Chairman, the Board members, the Audit Commission, the External Auditor of the Bank and the Head of the internal audit service are the foundation for the agenda.

**6.5.** Information and other necessary materials regarding matters that are included in the agenda of the Board meeting are prepared by the structural unit of the Head Office of the Bank. Relevant information and materials related to

issues that are included in the agenda of the meeting should be presented to the members of the Board no later than 3 (three) working days before the meeting.

**6.6.** The Board of the Bank meeting has the right to resolve issues once at least 70 (seventy) percent of the Board members are presented. The Board of the Bank resolution is made by the majority of votes of the Board members that are presented at the meeting. Each Board member has one vote. The Board member is not allowed to transfer his vote to another member of the Board. When the votes are equal, the vote of the Board Chairman is decisive. Decisions are usually taken by open vote and may be allowed by secret ballot only upon the resolution of the Board Chairman at the Board meetings.

If the Board member does not agree with the decision of the Board, he has the right to inform the Council of the Bank about it.

**6.7.** Issues related to the implementation and operational settlement of banking operations can be examined by the Board through the absentee voting. Prepares a draft of protocol (resolution) on the matter and submits it with attached information, materials, supporting documents, calculations and written explanations to the Board members for consideration and further signing. The protocol (resolutions) must be signed by all members of the Board and adopted unanimously.

**6.8.** The protocol (resolution) of the mobile meeting of the Board shall be signed by the Board members and by the responsible persons presented at the meeting, and shall be subsequently approved by the Protocol (Resolution) of the Board. The results of the quarterly, semi-annual and annual Bank activities, the results of the audit conducted by the Internal Audit Service and other key matters discusses at the joint meeting of the Board members.

**6.9.** Minutes of the meeting and taken decisions on raised matters at the Board meeting are recorded. The protocol shall include: the full name of the Bank, the place and date of the meeting, the chairperson, the list of the Board members and invited individuals presented at the meeting, information on the presence of a quorum, the agenda, speakers on the subject under discussion, voting issues, voting results and the decision made.

**6.10.** The minutes of the meeting of the Board shall be signed by the Chairman and the Board members. The protocol should be issued no later than 5 (five) working days after the meeting. The original copy of the minutes of the Board meeting is a document that should be stored with other materials after registration.

**6.11.** The orders, tasks and instructions specified in the protocol (resolution) of the Board of the Bank are binding for all Bank employees. Copies of minutes of the meeting must be submitted to the Board members. The extract from the protocol shall be sent to the responsible party and other competent people.

**6.12.** The structural unit of the Head Office of the Bank is responsible for the matter (assignment) that included in the meeting agenda and is the decision executive, unless otherwise specified in the minutes of the Board meeting. Relevant information on the decision execution is provided to the Deputy Chairman of the Board.

If necessary, the deadline for the decision execution of the Board may be extended at least three (3) days prior the expiration of the period specified by the Chairman of the Board.

**6.13.** The implementation of the protocol (resolutions) on important matters and the report of the responsible people may be reviewed on independent meetings of the Board.

**6.14.** Extracts from the minutes of the Board meeting are issued on a mandatory basis as follows:

to the Members of the Council and the Review Committee of the Bank, subject to their request;

at the request of other officials and the auditor, and in cases stipulated by the current legislation, may be provided to other persons and institutions only with the permission of the Board Chairman of the Bank.

## **7. RESPONSIBILITY OF THE BOARD CHAIRMAN OF THE BANK AND ITS MEMBERS**

**7.1.** The Board Chairman of the Bank and its members are responsible for the resolutions of the Bank in accordance with the law and the Charter of the Bank. Board members are fully liable to the Bank in accordance with applicable law and the Bank's Charter for losses incurred as a result of non-fulfillment or improper performance of their duties. If more than one person is responsible, they will be jointly responsible to the Bank

**7.2.** Board members who did not vote or voted against the decision that caused damage to the bank are not liable.

**7.3.** The shareholder (s) of the Bank having at least one percent of the total number of shares invested by them, has the right to file a lawsuit in court against of the Board of the Bank and a Board member and seek for compensation.

**7.4.** The Board members are not allowed to participate in creation and foundation of other commercial companies that complicate the customer service of the Bank, if such is not permitted by the Bank's Council

**7.5.** The Board members of the Bank are not allowed to use their private property and rights for the purposes and interests of other commercial companies and individuals, as well as to use the property of the Bank for personal purposes.

## **8. CONCLUSIVE REGULATIONS**

**8.1.** Present Regulation shall come into effect upon its approval by the General Meeting of Shareholders and the Regulation "On the operation of the Private Joint-Stock Commercial Bank "Orient Finance" and amendments thereto, approved by the protocol of the General Meeting of Shareholders as of August 21st, 2014, will be invalid.

**8.2.** Amendments and modifications to present Regulation are made base on the decision of the General Meeting of Shareholders. Rules of present Regulation are regularly reviewed for compliance with applicable laws, the requirements of the Bank's Charter and the advanced corporate governance practices

**8.3.** If some of the provisions of present Regulations contradict the current legislation of the Republic of Uzbekistan and / or the Charter of the Bank, such provisions become invalid and are governed by the current legislation of the Republic of Uzbekistan and / or the Charter of the Bank before amendments and modifications are made to present Regulations

**8.4.** The original copy of present Regulation is stored in the Methodology Department of the Legal Services Division of the Bank.