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**AMENDMENTS AND ADDITIONS TO THE REGULATIONS ON THE BOARD OF THE JOINT-STOCK COMMERCIAL BANK "TURONBANK"**

"APPROVED "

Based on the regular Annual Reporting General Meeting of Shareholders of the Bank dated June 27, 2020 No. AS-2/12

Chairman of the General Meeting

\_\_\_\_\_\_\_\_\_\_\_\_\_\_R.M.Khaytmetov

**Tashkent – 2020**

**1. Paragraph 4 of the Regulation should be worded as follows:**

1. The Bank's Board consists of 9 (nine) members. They are elected by the General Meeting of Shareholders in accordance with the procedure provided for by these Regulations for a period of one year (until the next regular annual Reporting General Meeting of Shareholders of the Bank). The candidates with the highest number of votes are considered elected to the Bank's Board.

The candidates nominated for the positions of the Supervisory Board of the Bank are coordinated with the Central Bank before they take office.

**2. Add the following sub-paragraphs to paragraph 11 of the Regulation:**

c) if at the same time he is a member of the Supervisory Board of two or more other domestic and foreign companies, and also works part-time under an employment contract.

11.1. A member of the Supervisory Board may be relieved of his duties under the following conditions:

a) at the request (application, appeal) of a member of the Supervisory Board;

b) in case of inability of a member of the Supervisory Board to perform his duties for health reasons or absence within four months in the area (city) of the Bank's location;

c) in case of bringing a member of the Supervisory Board to criminal responsibility for crimes in the field of economics or against the management structure.

**3. Add the following sub-paragraphs to paragraph 12 and state in the following wording:**

Candidates elected to the Supervisory Board must meet the following requirements:

**12.1.** Persons who do not have a criminal record for crimes in the field of economics or for crimes against the management structure.

**12.2.** Persons who have worked in finance, economics and law for at least five years and have sufficient knowledge and experience in this area.

**12.2.** Persons with an impeccable business reputation.

**12.3.** The presence of a qualification certificate of a corporate manager or a certificate issued by the scientific and educational center of corporate governance.

In some cases, exceptions may be made to the requirements for candidates elected to the Supervisory Board. This exception applies only to the requirements of work in the field of finance, economics and law and can be applied to representatives of state and economic management bodies, major shareholders of the Bank.

**4. Add the following sub-paragraphs to paragraph 16 and state in the following wording:**

1. Unless otherwise provided by law, the Bank's Board must include at least one (but not less than 15 percent of the number of members of the Supervisory Board provided for by the Bank's Charter) independent member(s), and these members may be re-elected annually. At the same time, the nomination and voting for an independent member of the Supervisory Board are carried out by representatives of the state and (or) an economic association.

16.1. Independent members of the Supervisory Board of the Bank are recognized as:

16.1.1. A person who has not worked for the last three years in JSCB Turonbank and (or) its affiliates;

16.1.2. A person who is not a shareholder (shareholder, participant) of JSCB Turonbank and its affiliated person;

16.1.3. A person who is not in a civil relationship with a major client and (or) a major supplier of the Turonbank battery and (or) its affiliated person. At the same time, those with whom there is a valid contract for an amount exceeding two thousand minimum wages are recognized as a major client and a major supplier;

16.1.4. A person who does not have any agreement with JSCB Turonbank and (or) its affiliates, except in cases related to ensuring the performance of duties and functions of a member of the Supervisory Board;

16.1.5. A person who is not a spouse, parent (adoptive parent), child (adopted child), sibling and half-brother and sister of a person who is a member of the management and internal control bodies of JSCB Turonbank and (or) its affiliates, or a person who has been a member of them for the past three years;

16.1.6. A person who is not an employee of a public administration body or a state-owned enterprise.

The procedure for the search, selection and election of candidates for independent members of the Supervisory Board of JSCB Turonbank and the requirements for them are determined in accordance with the annex to this Regulation.

**5. Paragraph 21 of the Regulation should be supplemented with a new version and set out in the following content:**

21. Meetings of the Supervisory Board are held at least once a quarter on the basis of its work plan. The order of work of the Supervisory Board is formed on the basis of proposals of the Chairman of the Board of the Bank, his deputy, members of the Board, the Board of the Bank, the Chairman of the Board of the Bank, the Audit Commission and the auditor of the Bank.

21.1. Proposals to the work plan of the Supervisory Board for the current year are submitted until January 15.

21.2. Proposals to the work plan of the Supervisory Board should reflect:

21.2.1. Information about the person (body) making the proposal;

21.2.3. The Editorial Board of issues proposed for consideration by the Supervisory Board;

21.2.3. Materials with explanations on the following issues;

21.2.4. Proposed deadline for consideration of the issue;

21.2.5. Signature of the person (body) who made the proposal.

21.2. Control over the preparation of the work plan is carried out by the Chairman of the Supervisory Board.

21.3. The work plan is approved by the Supervisory Board on the proposal of the Chairman of the Board.

**Paragraph 21 should be considered paragraph 22, respectively**

**6. Paragraph 22 should be supplemented with the following sub-paragraphs, set out in the following wording:**

22. A meeting of the Board of the Bank is convened by the Chairman of the Board on his own initiative at the request of the members of the Board of the Bank, the Audit Commission, the Board of the Bank, the Central Bank of the Republic of Uzbekistan, the Head of the Internal Audit Service of the Bank, the external auditor of the Bank, other persons determined by the Charter of the Bank and the current legislation.

22.1. A meeting of the Bank's Board may be convened at the request of shareholders who jointly own at least one percent of the voting shares in the authorized capital of the Bank.

22.2. The request to convene a meeting of the Council must reflect the information specified in paragraph 21.2 of this Regulation.

22.3. Within five calendar days from the date of submission of the application, the Chairman of the Council must make one of the following decisions:

22.3.1. Unless the legislation establishes a different deadline for the adoption of the proposed issue, the convening of a meeting of the Supervisory Board within fifteen calendar days and the inclusion of the issue in the agenda of the next meeting.

22.3.2. With notification of refusal to convene the meeting, as well as with notification of the members of the Supervisory Board, the Chairman of the Management Board of the bank and the person who submitted the application (the head of the body).

**7. Delete paragraph 22 in the old version.**

**8. Add the following sub-paragraphs to paragraph 29 and state in the following wording:**

29. The Bank introduces the position of a corporate consultant who monitors compliance with corporate legislation, the Charter and internal documents of the Bank.

29.1. Meetings of the Bank's Board are chaired by the Secretary of the Board or a corporate consultant appointed by the Board.

29.2. The objectives of the corporate consultant's activity are aimed at improving the corporate governance practice in the Bank, taking into account international best practices, promoting effective protection of shareholders' rights, and widespread implementation of management practices that ensure the Bank's sustainable development.

29.3. The Corporate consultant in his activities is subordinate to the Board of the Bank and is accountable to it.

**9. Add the following sub-paragraphs to paragraph 27 of the Regulation:**

27.1. In order to determine the quorum and voting results during the meetings of the Supervisory Board, the opinion of a member of the Supervisory Board who was not present at the meeting on the issues on the agenda of the meeting, expressed by him in writing, is taken into account, while written opinions are not taken into account:

27.1.1. If a written opinion on the issue is received before the meeting;

27.1.2. A member of the Supervisory Board clearly defined his position on this issue by writing in his written opinion "for", "against" or "abstained".

27.2. When determining the presence of a quorum and the results of voting on issues on which the Supervisory Board is obliged to vote by a simple majority and unanimously.

**10. Paragraph 33 of the Regulation should be worded as follows:**

33. Meetings of the Bank's Board are held in the form of meetings (joint participation for discussion and decision-making on issues put to the vote), as well as in the mode of telephone conference and/or videoconference and/or by absentee voting (by poll). Absentee voting (by poll) can be carried out using completed voting ballots by mail, courier delivery service, e-mail. Decisions of the Bank's Board may be taken unanimously by all members of the Board by absentee voting (by poll). At least once a year, the Council should hold its meeting in the form of a meeting (joint participation).

A member of the Supervisory Board intending to attend a meeting of the Supervisory Board via videoconference is obliged to notify the Chairman of the Supervisory Board two days before the planned date of the meeting.

**11. Add the following subparagraph to paragraph 35:**

m) implementation of adequate control over banking operations in accordance with the legislation of the Republic of Uzbekistan and banking policy;

h) conclusion of transactions directly related to the Bank, or notification to the Board of the Bank of the existence of extreme interest (directly, indirectly or on behalf of third parties) in any matter.

**12. Paragraph 40 of the Regulation should be worded as follows:**

40. Non-discrimination of shareholders' rights when changing the shareholders' share in the Authorized Capital of the Bank by increasing or decreasing the Authorized Capital, issuing additional securities, etc.;

Equal treatment is provided to all shareholders, regardless of their share, income level, gender, race, religion, nationality, language, social origin, personal and social status

**13. Add the following sub-paragraphs to paragraph 45 of the Regulation:**

i) the policy of JSCB Turonbank on compliance risk management.

j) policy of JSCB Turonbank on regulation of transactions with related parties.

**14. Add the following sub-paragraphs to paragraph 50 of the Regulation:**

(e) Committee on Major Transactions and Interested Transactions;

g) The Appointment and Award Committee.

At the same time, the Audit Committee and the Risk Management Committee, as a rule, should include members of the Bank's Board who have the appropriate higher education, sufficient qualifications and work experience in this field.

**15. Add the following sub-paragraphs to paragraph 56 and state as follows:**

a) the system of bonuses, incentives and punishments for Bank employees;

b) training and retraining program;

c) ensuring gender equality;

d) the procedure for appointing managers in case of vacant positions;

e) identification of circumstances under which the dismissal of the Bank's management becomes mandatory.

**16. Paragraph 70 of the Regulation should be worded as follows:**

70. The amount of this monthly salary is established in accordance with the "Regulations on the procedure for awarding members of the Supervisory Board of the Joint-Stock Commercial Bank Turonbank".

**17. Add the following paragraphs to paragraph 79:**

A member of the Bank's Board, as well as a trustee, may be held liable for losses caused to the Bank as a result of presenting misleading information or knowingly false information to them, or offering them by their affiliated persons to make a major transaction in order to obtain profit (income) and (or) making a decision to conclude a major transaction and (or) to conclude transactions with affiliated persons.

The members of the Bank's Board are fully responsible for compensation of losses caused to the Bank in case of violation of the Bank's Charter and the provisions specified in this Regulation, based on the requirements of the current legislation.

If, in accordance with the provisions of this paragraph, several persons are liable, then their liability to the Bank is joint and several.