

**APPROVED BY**  
**Minutes of Meeting No. 30**  
**Dated 21 December 2016**  
**of the Supervisory Board of the Bank**

**Policy for Prevention and Management of Conflicts of  
Interests of JSCB Hamkorbank**

## I. **BASIC TERMS**

**Bank** is the Joint-Stock Commercial Bank Hamkorbank with participation of foreign capital, short name: JSCB Hamkorbank.

**Close relatives** – husband, wife, parents, children, brothers and sisters (including non-relatives), grandparents, grandchildren.

**Business relations** - in this Policy business relations are understood as relations connected with the extraction of profit or income.

**Affiliated Person** – Affiliated Persons of the Bank are:

- 1) a legal entity that owns twenty or more percent of the shares of this Bank;
- 2) an individual together with close relatives who owns twenty or more percent of the shares of this Bank;
- 3) a member of the Supervisory Board, a person who exercises the powers of chairman or member of the Executive Board of this Bank;
- 4) a legal entity, of which twenty or more percent in the authorized capital are owned by this Bank;
- 5) a legal entity that is a subsidiary of a business of this Bank or a subsidiary of a business of the same company, of which this Bank is a subsidiary of a business;
- 6) a legal entity, twenty or more percent in the authorized capital (authorized capital) of which is owned by the same person as the person who owns twenty or more percent in the authorized capital (authorized capital) of this Bank;
- 7) a legal entity, at least one-third of the composition of the supervisory board of which are the same persons and their close relatives as the persons and their close relatives, constituting at least one-third of the supervisory board of this Bank
- 8) a legal entity, the functions of the head of the executive body in which is performed by the same person or his close relatives as the person or his close relatives who is the chairman or a member of the board of this Bank.
- 9) a legal entity, the functions of the head or member of the executive body in which is exercised by a person who, together with close relatives, constitutes at least one third of the composition of the supervisory board of this Bank;
- 10) a legal entity, at least one third of the composition of the supervisory board of which, together with close relatives, is a person exercising the powers of the Chairman or member of the Board of this Bank
- 11) a legal entity that is part of an economic association with this Bank.

**Affiliated persons of an shareholder-individual** who is an affiliated person of the Bank are:

- 1) a legal entity, of which twenty or more percent of the authorized capital is owned by that individual and (or) his close relatives;
- 2) a legal entity in which this shareholder or his close relatives are members of the Supervisory Board of the Bank;
- 3) a legal entity in which this shareholder or his close relatives exercise the powers of a member of the Executive Board,

**Information barrier** - a set of measures aimed at physically limiting the possibility of transferring, distributing confidential or pricing information.

**Insider information** - accurate and specific information that has not been distributed or provided (including information constituting a commercial business banking secret), the distribution or provision of which may have a significant impact on the prices of financial instruments, foreign currency

**Bank Insider** is a person who has access to the Bank's insider information and is included in the Bank's insiders list.

**Bank's Client** is a legal or natural person to whom the Bank provides banking services.

**Confidential information** - information that has commercial value in scientific, technical, technological, production financial, economic and other fields due to its unknown to third parties, to which there is no free access on a legal basis and the owner of this information takes measures to protect its confidentiality.

**Conflict of interests** is a contradiction between the property and other interests of the Bank and (or)

*its employees and (or) clients, which may cause adverse consequences for the Bank and (or) its clients.*

**Potential conflict of interest** is a situation in which the conflict of interest between the employee and the Bank has not yet occurred, but the planned actions of the Bank or the employee, about which the employee knew or should have known, clearly indicate the occurrence of further conflicts of interest as a result of such actions (the planned / Bank, the planned transfer of an employee to a new position, etc., which further generates a conflict of interest).

**Corporate relations** are legal relationships that develop within the Bank between shareholders, management, employees of the Bank in the process of implementation of management functions and management decisions.

**Personal Benefit** - an economic benefit in cash or in kind that can be assessed and defined as income in accordance with tax legislation (material benefit), or a benefit expressed in the achievement of obvious personal goals, even if such benefit did not lead to material gain.

**Incentive** is a tangible or intangible reward for a specific action.

**Gift** is a free transfer of a thing or property right (requirement) to a donor or a third party, or exemption from property obligations to the donor or third parties.

**Employee** is an individual who is in labor relations with the Bank or has entered into a civil law contract with the Bank related to the performance of work (provision of services) in the framework of the activities carried out by the Bank. Also for the purposes of the Policy, this concept includes persons authorized to perform an action on behalf of the Bank by proxy.

**Management of the Bank** - Supervisory Board of the Bank and the Executive Board of the Bank.

**Deals** (transactions) with related parties and preferential transactions - transactions involving the Bank's affiliates and (or) shareholders of the Bank and (or) Bank insiders or persons with which transactions are carried out on preferential terms, or characterized by losses (lost profit) for the Bank.

**Third parties** - all other persons involved in civil circulation, except for the Bank and its employees.

## II. **GENERAL PROVISIONS**

2.1. This Policy is developed in accordance with the Constitution of the Republic of Uzbekistan, Civil Code of the Republic of Uzbekistan, the Laws of the Republic of Uzbekistan "On Joint-Stock Companies and Protection of Shareholders' Rights", "On Banks and Banking Activities", "On Securities Market", "On Commercial Secrets", "On Bank Secrets", "On Guarantees of Freedom of Entrepreneurial Activities" "On appeals of individuals and legal entities", "Rules for the provision and publication of information on the securities market" and other legal and legislative acts of the Republic of Uzbekistan, regulatory documents of the Central Bank of the Republic of Uzbekistan, the Charter, as well as other internal documents of the Bank.

2.2. This Policy defines general principles and approaches and also contains lists of basic measures that are used by the Bank to prevent the potential identification and resolution of a conflict of interest.

2.3. This Policy is the basis for the development of internal regulatory and organizational documents on the settlement of conflicts of interest at the Bank.

2.4. The regulation of conflicts of interest in such areas as professional activity in the securities market is carried out on the basis of separate internal documents of the Bank based on this Policy.

2.5. This Policy applies to all Bank employees and in all areas of the Bank's business. The provisions of this Policy also apply to the relations of employees and management of the Bank with third parties. The principles of the Policy apply to all subsidiaries and affiliates of the Bank.

2.6. This Policy, as well as all changes and additions to it, are approved by the Supervisory Board of the Bank.

## III. **GOALS, TASKS AND PRINCIPLES OF ACTIVITY IN MANAGING CONFLICTS OF INTERESTS**

3.1. The purpose of this Policy is to prevent and avoid situations when the Bank's actions have

adverse consequences (loss, underpayment of profits, decline in market value, and others) for the client and, accordingly, inappropriate benefits for the Bank, employee, other client, or any other third party related to the action of the Bank.

3.2. This Policy is aimed at increasing trust in the Bank from its customers and counterparties, ensuring fair customer service and compliance with corporate governance standards on the principles of transparency and openness.

3.3. This Policy establishes the principles for disclosing information about potential conflicts of interest, including when making transactions with an interest, standards of conduct for Bank employees in the event of a conflict of interest, decision-making mechanisms, a list of possible measures to resolve a conflict of interest.

3.4. The Bank's conflict of interest management activities are based on the following principles:

- a) obligatory disclosure of information about a real or potential conflict of interest;
- b) individual consideration and assessment of risks for the Bank in identifying each conflict of interest and its settlement,
- c) the confidentiality of the process of disclosing information about a conflict of interest and the process of its settlement before third parties;
- d) protection of the employee against the application of negative measures of the Bank in connection with the notification of a conflict of interest, which was promptly disclosed by the employee and settled (prevented) by the Bank;
- e) separation of powers ("segregation of duties") - a principle which consists in the division of functions between independent structural divisions of the Bank in order to exclude situations when the employee's sphere of responsibility allows for a conflict of interests.

#### **IV. CLASSIFICATION AND PREVENTION OF POSSIBLE CONFLICTS OF INTERESTS**

4.1 The Bank may have the following main types of conflicts of interest:

4.1.1 Corporate conflicts may arise between the majority and minority shareholders of the Bank, between the management bodies of the Bank and the shareholders as a result of:

- a) non-compliance with the requirements of the laws, regulations and internal documents of the Bank.
- b) inability of minority shareholders to have a significant impact on the activities of the Bank and on decisions taken by the general meeting of shareholders and the Supervisory Board;
- c) conclusion of major deals and deals in which there is interest, without prior approval of the authorized bodies;
- d) adoption by management bodies of decisions that may lead to a deterioration in the financial condition of the Bank;
- e) non-disclosure of information in accordance with the current legislation on the provision of non-pop information by pizzas. members of the governing bodies of the Bank, on positions held in the governing bodies of other organizations on the ownership of shares (stocks) of other companies.

4.1.2 Conflicts of interest may occur between management bodies, officials, employees and customers as a result of:

- a) non-compliance with legislation, constituent and internal documents of the Bank
- b) non-observance of the requirements of the Standard of mutual relations with consumers of the Bank and principles of the Code of Corporate Ethics;
- c) non-fulfillment of contractual obligations from both the Bank and the Client;
- d) employee's / official's preferences of one Client's interests to the detriment of another Client's interests for the purpose of gaining personal gain.
- e) preferences of own interests to the detriment of the interests of the Client for the purpose of obtaining

personal gain.

4.1.3 Conflicts of interest may arise between the Bank and employees, officials, as a result of:

- a) violation of the requirements of legislation and internal documents of the Bank
- b) non-compliance with the requirements of the Standard of mutual relations with the Bank's consumers and the principles of the Corporate Ethics Code:
- c) noncompliance of intra-bank limits when conducting transactions with persons related to the bank, as well as preferential transactions;
- d) conducting commercial activities, both own and family members using insider information obtained in the course of additional duties;
- e) availability of property and (or) other interests in another company, with which the Bank maintains business relations, as a result of which the conscientious performance of its official duties becomes impossible;
- f) part-time work in another company by a manager, officer or participation in its management bodies, with the result that the conscientious performance of their official duties becomes impossible;
- g) combining the executive and control functions by the employee, allowing him to use his official duties for personal gain;
- h) lack of control over the delimitation of access to confidential information that can be used for personal gain;
- i) the employee has exceeded his or her job duties in order to provide business opportunities for other companies to the detriment of the Bank's interests due to personal interests

4.2. The list of possible conflicts of interest and measures to prevent them is not exhaustive. Employees should independently assess the presence of a conflict of interest in other situations that are similar in meaning.

#### **4.3. Corporate Relations**

4.3.1. For the purposes of prevention of conflicts of interests, the Bank determines the following

- a) members of the Executive Board and the Supervisory Board of the Bank (hereinafter referred to as collegial governing bodies) act independently, have an equal number of votes when resolving any issues and are obliged to refrain from administrative personal and other pressure in any form on other members of the collegial body in order to persuade them to point of view and decision making:
- b) persons who are close relatives to each other, as well as employees of the Bank who are in direct subordination cannot simultaneously hold positions as part of one of the collegial management bodies of the Bank;
- c) members of collegial governing bodies and employees of the Bank may not simultaneously hold two or more positions in the Bank if the employee or member of the collegial governing body is at the same time controlling in one position and subordinate in the other position in relation to another employee or member of the collegial governing body of the Bank.

4.3.2. If the interested party is a member of the Supervisory Board of the Bank, the Chairman of the Executive Board, a member of the Executive Board or a shareholder of the Bank, then the conflict of interest is regulated in accordance with the Law on Joint Stock Companies and Protection of Shareholders' Rights and the Charter of the Bank.

4.3.3. In order to prevent combining executive and control functions in one unit (position) in corporate relations, the detailing of the distribution of rights and duties, the coordination of decisions and delegation of authority applicable to a specific internal division of the Bank should be developed and reflected in the Regulations on the relevant internal divisions of the Bank.

#### **4.4. Use of confidential information, including insider information**

4.4.1. To prevent conflicts of interest, if you have access to confidential information. The Bank establishes information barriers with the help of which the control of confidential information is controlled.

4.4.2. Bank employees are required to use confidential information in accordance with the Bank's internal documents and Bank obligations to counterparties to protect confidential information.

4.4.3. All duties related to confidential information also apply to the use of insider information.

4.4.4. To maintain information barriers and prevent conflicts of interest, the Bank uses the following methods:

- a) restrictions on the movement and transmission of information inside the Bank's premises and buildings while ensuring physical and information technology security;
- b) the use of passwords (code words) or other means of identifying persons entitled to use confidential information,
- c) proper supervision of Bank employees with access to confidential information;
- d) the inclusion in the labor contracts of the obligations of employees to not disclose confidential information of the Bank;
- e) the use of the principle of "business need" in the distribution of information flows.

#### **4.5. Incentives and gifts**

4.5.1. Bank employees are prohibited from giving (offering) or accepting any funds from third parties in any form as a gift if such actions are related to the official duties of an employee

4.5.2. The Bank's employee is not allowed to accept monetary amounts or gifts from third parties, which can be converted into a cash equivalent (for example, bank card, gift certificate, e-wallet, etc.), if such actions are related to the official duties of the employee

4.5.3. Acceptance of a gift by an employee from third parties is not allowed if the gift may occur for the employee to perform his official duties or otherwise cause a conflict of interest

4.5.4. Exceptions regarding the possibility of accepting (providing) gifts by employees of the Bank are established by the internal documents of the Bank.

#### **4.6. Making transactions by employees in the interests of the Bank and independent commercial activities of Bank employees**

4.6.1. Bank employees may not, without notifying the Bank in the manner specified in clause 5.1.1 of the Policy, occupy management positions or be a shareholder in an organization that is a competitor, customer or supplier of the Bank.

4.6.2. The exception to the rule of clause 4.4.1. It takes a while for an employee to write a written agreement (permission). This permission is signed by the Bank's immediate manager of the Bank, agreed with the Department of Personnel Management of the Bank and the Internal Control Service (hereinafter referred to as ICS).

4.6.3. An employee of the Bank, if he is an interested party, cannot participate in the execution of a transaction (sign an agreement, approve a transaction as part of collegial bodies) on behalf of the Bank without the consent of the ICS.

4.6.4. An employee of the Bank is not entitled to acquire, derive personal benefit from any transaction of which he becomes aware of as a result of his work at the Bank, and in which the Bank participates.

4.6.5. In order to protect the interests of the Bank's clients, the Bank's employees are prohibited from concluding transactions with financial instruments on their own account and on the Bank's account before transactions with similar financial instruments on the client's account.

4.6.6. For the purpose of preventing abuses in financial markets, the Bank may impose control over the transactions of Bank employees in this area.

4.6.7. To prevent conflicts of interest, the Bank may require staff to comply with obligations related to participation in third-party management bodies, as well as conducting independent commercial activities. Such obligations may include;

- a) the obligation to disclose information to the Bank by new and existing employees about their participation and participation of close relatives and family members in the management bodies of third parties, as well as their independent commercial activities, including as an agent of another organization.
- b) restrictions for certain categories of employees on participation in third-party management bodies and / or authorized capital of third parties with simultaneous work in the Bank.

#### **4.7. Family relations of Bank employees**

4.7.1. Bank employees are not entitled to participate in the negotiation, conclusion of employment contracts and related documents, in which their close relative is a counterparty

4.7.2. In the event of a conflict of interest with close relatives, the employee must immediately inform the ICS. Further prevention of the development of a conflict of interest is based on the general rules of section 5 of this Policy.

## **V. GENERAL RULES OF THE ORGANIZATION OF THE PROCESS OF MANAGING CONFLICTS OF INTERESTS**

### **5.1. Finding and disclosing a conflict of interests**

5.1.1. The identification of conflicts of interest is carried out by the Bank's management and all Bank employees in the course of their current activities using the concepts and principles of this Policy.

Bank employees are required to disclose a conflict of interest that has arisen or is potentially occurring. In the event that information about a conflict of interest has become known to a Bank employee, he must immediately inform the ICS by sending an official notification.

The obligation of employees to notify in this clause does not apply to cases when the management of the Bank makes transactions with affiliates.

5.1.2. An authorized officer of the ICS monitors the receipt of messages and notifies them to the ICS Head.

5.1.3. Bank employees are obliged to assist ICS representatives and provide them with copies of the required documents for all incidents related to the identification of conflicts of interest in the Bank.

5.1.4. Documents received by ICS employees in the course of managing a conflict of interest are kept at the Bank for at least five years from the date they were received.

### **5.2. Procedure of management of conflicts of interests**

5.2.1. The management and employees of the Bank use all available legal opportunities to manage the emerged or prevent a potential conflict of interest in compliance with the legitimate interests of the Bank, customers and shareholders of the Bank

5.2.2. In the event of receiving information on a conflict of interest, the head of the ICS is obliged to verify the presence of a conflict of interest and appoint an ICS officer. responsible for clarifying the causes and circumstances of the conflict (hereinafter - the Responsible person).

5.2.3. The responsible person, based on the results of studying the circumstances of the conflict of interest, sends information to the head of ICS for further consideration and taking measures to manage the conflict of interest in stages according to the table:

		STAGE 1 – initiation	STAGE 2 – review	STAGE 3 – escalation
	Categories of persons in relation to which a conflict of interests	The person obliged to report an identified conflict of interest incident.	Decision-making authority on conflict of interest management	Resolution of the situation or escalation in case of not resolving a conflict of interest
Level 1	Bank employees not being managers of structural divisions of the Bank	ICS staff	Manager of ICS	In case of not resolving the conflict of interest, the head of the ICS sends information to the Ethics Commission for a decision
Level 2	Bank employees being managers of structural divisions of the Bank	Manager of ICS	Ethics Commission	If the conflict of interest is not resolved, the Ethics Commission sends information on the conflict to the Executive Board of the Bank for a decision.
Level 3	Members of Executive Board	Member of Executive Board supervising ICS	Executive Board of Bank	In case of not resolving a conflict of interest, the Executive Board sends

				information for decision to the Supervisory Board of the Bank
Level 4	Members of Supervisory Board of Bank	Members of Supervisory Board supervising ICS	Supervisory Board of Bank	Based on the results of review of the circumstances of conflict, the Supervisory Board takes decision

5.2.4. To report a conflict of interest between the stages indicated in the table, as well as during the escalation of the incident, officials (indicated in the table) compile an explanatory note indicating the addressee, a description of the nature of the conflict of interest, its participants and a list of attached documents.

5.2.5. The Bank uses the following measures to manage the identified conflicts of interest:

- a) restricting employee access to specific information that may affect the personal interests of the employee;
- b) voluntary refusal of an employee of the Bank or his removal (permanent or temporary) from participation in the discussion and decision-making process on issues that are or may be affected by a conflict of interest.
- c) revision and change of functional duties of the employee;
- d) temporary dismissal of an employee from the position if his personal interests conflict with functional duties;
- e) transfer of an employee to a position providing for the performance of functional duties not related to a conflict of interest
- f) dismissal of an employee from the Bank at the initiative of an employee;
- g) dismissal of an employee on the initiative of the employer for non-adoption by the employee of measures to prevent or resolve a conflict of interest, of which he is a party or for other reasons in accordance with labor legislation;
- h) acceptance of the risk of conflict of interest.

The body authorized to accept the risk of a conflict of interest is determined in accordance with clause 5.2.3.

This list of measures to manage conflicts of interest is not exhaustive. In each specific case, by agreement of the Bank and the employee who disclosed information about a conflict of interest, other forms of conflict of interest management can be found.

5.2.6. Persons who have a conflict of interest cannot take part in decision-making in the process of managing conflicts of interest in the manner specified in clause 5.2.3.

5.2.7. Information about the measures taken in order to manage the conflict of interest and the results achieved shall be communicated to all participants of the conflict of interest settlement.

## VI. CONTROL AND RESPONSIBILITY

6.1. All Bank employees are required to familiarize themselves with this Policy and comply with its requirements.

6.2. Control over the fulfillment of the requirements set forth in this Policy is vested in the ICS.



**Chairmen of Commission:**

Director of Branches Management Department

A. Parpiev

Director of Risk Management

M.Arslonov

**Commission members:**

Chief Accountant

N. Irgashev

Head of Legal Service

K.Teshaboev

Head of Human Resources Department

G. Mirabdullaev

Head of Department of Work with Population Deposits

F.Hudayberdiev

Head of Internal Control Service

H. Yuldashev

Head of Operational Risks and Fraud Risks Sector

D.Madrahimov

Lead Specialist of Standards Development and Introduction

O. Yusupov

Specialist 1-category of Methodology sector

N. Israilova

## Overview of typical situations of conflict of interests

### 1. Corporate relations, interests

*An employee of the Bank in the course of fulfilling his/her job duties is involved in making decisions that may bring tangible or intangible benefits to him/her, to the organization in which he/she participates, to persons who are his/her relatives, friends or other persons with whom his/his personal interest is associated.*

**Example:** A bank employee making decisions on issuing a bank loan makes such a decision in relation to Organization B, where the functions of the sole executive body are performed by the management company - Organization C, in which the employee's close relative is the CEO.

**Example:** an employee of the Bank, in the course of fulfilling his job duties, participates in choosing a company that provides search services for advertising service providers (Agent). In proposed Organization B (agent), the shareholder is a relative of the employee. A conflict of interest for an employee takes place both in a transaction with an agent and in transactions concluded by this agent in the interests of the Bank and approved by the employee.

Possible ways of settlement: the removal of the employee from the decision that is the subject of a conflict of interest.

*Employees are in a relationship of subordination if necessary equal status or mutual subordination, which gives rise to a conflict of interest when making decisions.*

**Example:** The Executive Board simultaneously consists of members, one of whom is a functional leader of the other, thus, a functional leader can indirectly determine the decisions of his subordinate when making decisions

**Example:** One of the members of the Executive Board is a functional head for the head of the Bank's structural unit (branch, directorate), while the head of the structural unit (branch, directorate) is a member of the Executive Board. Thus, when making decisions regarding a subordinate, a member of the Executive Board may take into account the vote on his candidacy as a member of the Executive Board subordinate to him.

Possible ways of settlement: transfer of an employee to another position or dismissal from one of the positions.

### 2. Distribution of powers

*Bank employee combines performance of executive and control functions allowing to use his duties for receiving a personal benefit.*

**Example:** The same Bank subdivision is responsible for making deals and reflecting them in accounting.

**Example:** The same Bank subdivision is responsible for collecting and processing received documents from client for crediting and assessment of risks on that deal (determination of reserves).

Possible ways of settlement: differentiation of these powers between different departments of the Bank.

**Example:** A dealer who makes transactions with financial instruments on behalf of the Bank has the right to access Bank depository documents containing information on customers' securities.

Possible ways of settlement: Providing logical (personalized) access to information systems, with access only to the necessary information.

### 3. Confidential information

*Bank employee uses information that has become known to him during the performance of his job duties in order to obtain benefits or competitive advantages in making commercial transactions for himself or another person*

*with whom the employee's personal interest is connected.*

**Example:** An employee, having access to confidential procedures developed at the Bank, has the opportunity to transfer it to a competitor bank without hindrance in the interests of employing his relative or other benefit for himself.

Possible ways of settlement: establishing prohibition and technical impossibility of using flash drives on a work computer, rules for using corporate mail, introducing obligations into the labor contracts of employees regarding the safety of confidential information; restricting employee access to valuable information, if the employee is not intended.

#### **4. Gifts**

*Bank employee or another person with whom the employee's personal interest is associated receives expensive gifts from his subordinate or other employee of the Bank in relation to which the employee performs control functions.*

**Example:** an employee of the Bank receives an expensive gift from his subordinate in connection with his birthday, the employee's powers include making decisions about raising wages to subordinate employees and appointing to higher positions in the Bank.

**Example:** The employee, in order to obtain a positive opinion on the business process under his control, provides a costly gift to the employee of the Internal Audit Service, who checks his department.

Possible ways of settlement: recommending an employee to return an expensive gift to the donor; the establishment of rules of corporate behavior, recommending refrain from donating / accepting expensive gifts.

#### **5. Deals in the interests of the Bank and independent commercial activity of employees.**

**Example:** Employee of organization responsible for procurement for the Bank, selects from a limited number of suppliers. Manager of sales department of one of potential suppliers is a relative of that organization employee.

**Example:** Organization B is interested in entering into a long-term lease agreement with the Bank. Organization B makes a job offer to the Bank's employee's close family member, who in turn is authorized to make a decision on behalf of the Bank to conclude a supply / lease agreement with Organization B.

**Example:** Bank employee takes decision on procurement by the Bank of the goods being a result of intellectual activity to which he/she or another person with which a personal interest of that employee is connected, possesses exclusive rights.

Possible ways of settlement: dismissal of an employee from making the decision that is the subject of a conflict of interest.

#### **6. Family relations**

*An employee of the Bank participates in making personnel decisions in relation to persons who are his relatives or other persons with whom his personal interest is associated.*

**Example:** manager decides on the payment of a premium in respect of his subordinate, who is simultaneously related to him by kinship.

Possible ways of settlement: removal of the employee from making decision which is the subject of a conflict of interest; transfer of an employee (his subordinate) to another position or change in the circle of his official duties