

**APPROVED**  
**Supervisory Board of the**  
**Hamkorbank JSCB**  
**Chairman of Supervisory Board**  
**of the Bank**

\_\_\_\_\_ **I. I. Ibragimov**

dated 10.10.2016

**REGULATIONS**  
**on the Strategic Planning, Development and**  
**Corporate Governance Committee of the**  
**Supervisory Board of Joint-Stock Commercial Bank**  
**"Hamkorbank" with participation of foreign capital**

**ANDIJAN city – 2016 year**

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### 1. GENERAL PROVISIONS

1. These Regulations on the Strategic Planning, Development and Corporate Governance Committee of the Joint-Stock Commercial Bank “Hamkorbank” with participation of foreign capital (hereinafter referred to as the Regulations) are developed in accordance with the Civil Code of the Republic of Uzbekistan, the Law on Banks and Banking, the Law on joint-stock companies and protection of the rights of shareholders and other legal and legislative acts of the Republic of Uzbekistan, regulatory documents of the Central Bank of the Republic of Uzbekistan (hereinafter - the Central Bank), as well as the Charter of the Joint-Stock Commercial Bank Hamkorbank with participation of foreign capital (hereinafter referred to as the Bank).
2. These Regulations determine the legal status, goals and objectives, competence, structure and composition of the Strategic Planning, Development and Corporate Governance Committee of the Joint-Stock Commercial Bank Hamkorbank with participation of foreign capital (hereinafter the Committee), as well as the rights and obligations of the Committee members, the organization procedure his work and interaction with other governing bodies of the Bank.
3. The Strategic Planning, Development and Corporate Governance Committee is established in Bank’s Supervisory Board, in form of a permanent (non-temporary) committee and ensures:
  - development of the draft strategy of the Bank;
  - identification of priority areas for development;
  - preparation priority tasks of the Executive Board for consideration by the Bank’s Supervisory Board;
  - control over the implementation of tasks to achieve strategic goals.
4. The Committee is established by the resolution of the Bank’s Supervisory Board and assists in determining the priority directions of the bank’s activities and developing the bank’s development strategy, developing the Bank’s corporate governance policies and procedures and ensuring their observance. In its activities, the Committee is fully accountable to the Bank’s Supervisory Board.

### 2. GOALS AND OBJECTIVES OF COMMITTEE

5. The main goal of the Committee is to increase the efficiency of the Bank’s activities in the current and long-term perspective, maintain high standards of corporate governance and business ethics for successful business, strengthen the Bank’s reputation, and reduce the cost of raising capital for them.
6. The tasks of the Committee are:

- 6.1. Preliminary consideration and preparation of recommendations to the Supervisory Board of the Bank for making decisions on determining the development of the Bank, as well as organizing the process of strategic management and determining the roles of the main participants in it.
- 6.2. Evaluating the effectiveness of the Bank's activities in the current and long-term perspectives and making recommendations to the Supervisory Board of the Bank on adjusting the existing development strategy, based on an analysis of the main market indicators, market development trends, performance results of the Bank and its competitors, and other factors.
- 6.3. Implementation of control over the implementation of decisions made by the Supervisory Board of the Bank in the field of determining the priority directions of development of the Bank and strategic planning.
- 6.4. Consideration of the draft long-term development program of the bank prepared by the Board of the Bank, as well as the preparation of recommendations:
  - Executive Board of the Bank to finalize the long-term program;
  - The Supervisory Board of the Bank on the approval of the long-term program (with the main stages of the program and the timing of their implementation) in the case of a positive opinion of the Committee.
- 6.5. Analysis of the implementation of the long-term program, including an assessment of the implementation of individual stages in accordance with established deadlines.
- 6.6. Determining the Bank's corporate governance policy and its further development.
- 6.7. Checking compliance with Bank policies and procedures for corporate governance.
- 6.8. Ensuring a balance of interests of shareholders, members of the Bank Supervisory Board and executive bodies, employees of the Bank, creditors, depositors and other customers of the Bank.
- 6.9. Ensuring compliance with the legislation of the Republic of Uzbekistan, the Charter of the Bank, the Code of Corporate Ethics and other internal documents.

### **3. COMPETENCE OF COMMITTEE**

7. The following issues are within the competence of the Committee:

*in the scope of strategic planning and development:*

- analysis of concepts, programs and plans of strategic development developed by the executive bodies of the Bank and preparation of recommendations and proposals to the Supervisory Board of the Bank on the development of the main activities of the Bank;
- assessment of the main activities of the Bank, taking into account the current and forecasted market situation, the financial condition of the Bank and other factors affecting its financial and business activities. To this end, the Committee considers the Business Plan submitted by the Executive Board of the Bank for the coming year, forms its opinion on it, prepares comments, suggestions if necessary, and submits for approval by the Supervisory Board of the Bank;
- development and revision of the procedures and rules of strategic planning in close cooperation with the Chairman of the Board of the Bank, as well as the development of a document describing the participation of the Supervisory Board of the Bank in the strategic planning process;
- periodic review of the strategic plan and long-term objectives of the bank (and its subsidiaries) to ensure their consistency with the mission and objectives of the bank;

- analysis and provision of recommendations regarding the annual and long-term financial strategy and objectives set for the bank, as well as relevant goals and key performance indicators of the bank;
- analysis and provision of recommendations to the Supervisory Board of the Bank in relation to the placement of debt and other securities, the acquisition or alienation of bank shares held on its balance sheet, the splitting of shares or the change in categories of shares; transactions in the capital market or expenses envisaged in the framework of any projects;
- Preliminary consideration of the results of the Bank's investment activities and preparation of proposals for the formation of investment policies, including the implementation of long-term investments of the Bank, taking into account the assessment of their economic efficiency;
- consideration of proposals and preparation of recommendations:
  - on making changes to the current organizational structure of bank management;
  - to improve the system of planning, monitoring and analyzing the activities of the Bank;
  - to improve financial management and improve the efficiency of the Bank;
  - on the definition of a strategy for working with shareholders and managing equity;
  - on strategies for increasing capitalization;
  - in the order of profit distribution based on the results of the fiscal year;
  - by definition dividend policy, including preliminary consideration of issues on the payment of dividends on the results of the year;
  - in matters of major transactions planned by the Bank;
  - withdrawal of new banking products;
  - participation in financial and industrial groups, associations and other unions;
  - the establishment of branches and the opening of representative offices, their reorganization and liquidation;
  - other issues as instructed by the Supervisory Board.

*in the scope of improving corporate governance*

- development and periodic review of bank documents related to corporate governance, incl. the charter, regulations and code of corporate governance, in order to ensure their compliance with the law;
- study of the best corporate governance practices in accordance with the requirements of the Central Bank, international banking practices and the development of recommendations for improving corporate governance in the Bank;
- preparation of proposals for amending the Bank's Corporate Governance Code (if necessary);
- monitoring the compliance of the Bank's policies and practices with the requirements of the Central Bank, the Center for Coordination and Control over the Securities Market, the Basel Committee on Banking Supervision in the field of corporate governance and the preparation of recommendations to the Supervisory Board of the Bank to improve the corporate governance system;
- preparation of proposals for amending the Charter of the Bank and the Regulations on the Bank's governing bodies (if necessary).

*in the scope of corporate ethics*

- development of corporate conduct rules and ethical standards for members of the management bodies and employees of the Bank;
- determination of the standards of the bank's activities and the behavior of its employees aimed at increasing the profitability, financial stability and efficiency of the Bank, its branches and subsidiaries;
- defining the mission and corporate values of the Bank;

- identification of the basis for the Bank's relations with customers, business partners, government authorities, competitors and Bank employees;
- consideration of the draft Code of Corporate Ethics and provision of recommendations to the Supervisory Board of the Bank on its amendment and supplement.

in the scope of internal corporate procedures

- preparation of recommendations on improving the procedure for convening and holding General Annual Shareholders Meetings, participation of members of the Bank's Executive Board in the preparation and in the process of holding shareholder meetings;
- development of recommendations on the organization of activities of other committees of the Bank Supervisory Board, including recommendations on the types of committees, and their competencies.

in the scope of information disclosure and financial transparency

- cooperation with the Audit Committee of the Supervisory Board in developing policies and procedures for disclosing information about the bank in areas such as corporate governance, financial reporting, as well as other relevant information in the annual and quarterly reports of the bank, on its website and in other relevant media;
- preparation of proposals to the Supervisory Board of the Bank to improve the information policy and increase the information transparency of the Bank.

#### **4. COMPOSITION OF THE COMMITTEE AND ITS ELECTION**

8. The quantitative composition of the Committee shall be determined by the Supervisory Board of the Bank and may not be less than three persons elected from among the members of the Supervisory Board of the Bank.
9. The term of office of the members of the Committee coincides with the terms of their authority as members of the Supervisory Board of the Bank.
10. The Chairman and members of the Committee are elected by the Supervisory Board of the Bank from among all members of the Supervisory Board by voting.
11. Members of the Committee should have a higher education and work experience, consistent with the tasks and activities of the Committee. Each member of the Committee should be well versed in the specifics of the Bank's activities, in the core issues of managing a credit institution, have knowledge of current labor and corporate legislation, as well as knowledge of international corporate governance standards.
12. The decision on the election of members of the Committee is taken by a simple majority of votes of the total number of members of the Bank's Supervisory Board. Committee members may be re-elected an unlimited number of times. By decision of the Supervisory Board of the Bank, the powers of all or individual members of the Committee may be terminated early.
13. A member of the Committee has the right to resign a member of the Committee, warning the Chairman of the Supervisory Board and the Chairman of the Committee by sending a written statement 1 (one) month before the date of resignation.
14. If the authority of a member of the Committee is terminated in accordance with paragraph 14 of these Regulations, the Supervisory Board of the Bank at the next meeting, but not more than 1 (one) month from the date of receipt by the Supervisory Board of the Bank of a written statement of resignation, elects a new member of the Committee. Up to this point, a member of the Committee who plans to resign as a member of the Committee continues to perform his duties in full.

#### **5. RIGHTS AND OBLIGATIONS OF THE COMMITTEE**

15. Within the framework of its competence to exercise the assigned functions, the Committee is vested with the following rights:
- request and receive information necessary for the implementation of its activities from members of the Bank's Supervisory Board, the Executive Board of the Bank, employees of the Internal Audit Service;
  - monitor and take part in audits regarding the implementation of decisions and instructions of the Bank's Supervisory Board on its activities;
  - recommend to the Supervisory Board of the Bank to attract, if necessary, external experts and consultants to obtain professional services within their activities;
  - if necessary, invite to the meetings of the Committee members of the Bank's Executive Board and other officials of the Bank, while those invited do not have the right to vote on the issues on the agenda of the meeting of the Committee;
  - exercise other rights necessary for the Committee to exercise the powers assigned to it.
16. Members of the Committee must:
- participate in the work of the Committee and attend all its meetings;
  - refrain from using their position in the Bank in the interests of third parties, as well as acting in the interests of the Bank, exercising their rights and fulfilling obligations towards the Bank in good faith and reasonably;
  - comply with confidentiality requirements for information that becomes known to them during the performance of official duties;
  - promptly inform the Supervisory Board of the Bank about the risks to which the Bank is exposed;
  - timely inform the Supervisory Board of the Bank about any changes in its status as an independent member of the Bank Supervisory Board or about a conflict of interest in connection with decisions to be made by the Committee;
  - annually, on the basis of the analysis and assessment of these Regulations, the Committee for the purpose of compliance with the established requirements should give the Supervisory Board of the Bank the necessary recommendations for making changes to this Regulation that the Committee considers appropriate.

## **6. ORDER OF WORK OF THE COMMITTEE**

17. The work of the Committee is headed by the Chairman of the Committee, who represents the Committee at the General Meetings of Shareholders of the Bank and to other governing bodies of the Bank, and also signs documents on behalf of the Committee of the Bank.
18. The Chairman of the Committee shall organize the work of the Committee, in particular:
- convenes meetings of the Committee and chairs them;
  - based on the results of discussions with the Committee members, approves the agenda of the Committee meetings;
  - organizes discussion of issues at meetings of the Committee, as well as hearing the opinions of persons invited to participate in the meeting;
  - maintains constant contacts with the Executive Board of the Bank, the Supervisory Board of the Bank, the Auditor, the Audit Commission of the Bank and the employees of the Bank in order to obtain the most complete and reliable information necessary for making decisions by the Committee, as well as ensuring effective interaction with the Supervisory Board of the Bank;
  - distributes responsibilities among the members of the Committee;
  - performs other functions within the competence of the Committee, which are stipulated by the current legislation, the Charter of the Bank, these Regulations and other internal documents of the Bank.
19. Discussion and decision-making are carried out at meetings of the Committee. Committee meetings are held on a regular basis, but at least once a month. The decision to convene a meeting of the Committee is made by the Chairman of the Committee on its own initiative or on

the basis of proposals from members of the Committee, the Supervisory Board of the Bank, the Auditor of the Bank, the Audit Commission of the Bank, the Executive Board of the Bank, the Internal Audit Service of the Bank.

20. The agenda of the meeting is determined by the Chairman of the Committee. At the same time, any member of the Committee should be given the opportunity to suggest their own issues for inclusion on the agenda. By decision of the members of the Committee, the agenda may be amended and supplemented. If necessary, the Committee may refuse to discuss issues identified in the agenda of the current meeting in favor of other issues.
21. Members of the Supervisory Board of the Bank, the Executive Board of the Bank, the Audit Commission of the Bank, the Bank's Auditor, as well as experts invited to work in the Committee may appeal to the Chairman or any member of the Committee to consider any matter falling within the competence of the Committee.
22. The notification of the meeting of the Committee and the sending of necessary materials to the members of the Committee and invited persons shall be made within a reasonable time before the start of the meeting, in a manner agreed upon with the members of the Committee. The Chairman of the Committee takes the necessary and reasonable steps to ensure that the notification and the direction of the materials have been carried out properly and in due time.
23. Members of the Committee are entitled to participate in the meeting of the Committee, including through technical communication tools (telephone, video-telephone, conference calls, etc.), which allow a member of the Committee to promptly, during the meeting, express their opinion and vote on the issues discussed, and also by expressing his will in writing on the agenda item, with which he had first read the draft decision, by sending a written opinion. The decision of the Committee may be taken by absentee voting (by poll).
24. The quorum for a decision by the Committee shall be at least two thirds of the members of the Committee. All decisions are taken by a simple majority of votes of members of the Committee and are recorded in a protocol. A member of the Committee who voted against decision, has the right to attach a dissenting opinion to the protocol of the meeting. In case of equality of votes of the Committee members when making decisions, the vote of the Chairman of the Committee is decisive.
25. The minutes of the meeting of the Committee shall indicate:
  - date, place and time of the meeting (or the date of absentee voting);
  - list of members of the Committee who took part in the meeting (absentee voting);
  - issues put to vote and voting results on them (indicating the result of voting of each member of the Committee who participated in the meeting);
  - decisions made.
26. The protocol shall include the materials prepared by the Committee, conclusions, suggestions and recommendations, as well as the special opinion of a member of the Committee, if available.
27. Officials of the Bank, the Bank's Auditor may be invited to meetings of the Committee for reports and clarifications. Invited persons have the right to:
  - to speak on the issues on the agenda of the meeting of the Committee in accordance with the issues predetermined for them;
  - at the request of members of the Committee to clarify issues under discussion.

The invited persons do not have the right to vote on issues on the agenda of the meeting of the Committee.

## **7. RESPONSIBILITY OF THE COMMITTEE MEMBERS**

28. Members of the Bank's Committee are responsible for the unfair performance of their duties in the manner prescribed by the laws of the Republic of Uzbekistan, the Charter of the Bank, the Regulations on the Supervisory Board of the Bank and these Regulations.

## 8. REMUNERATION OF COMMITTEE MEMBERS

29. By decision of the General Meeting of Shareholders, members of the Committee may be paid remuneration and (or) reimbursement of expenses related to the performance of their duties as members of the Committee during the period of their duties.

## 9. ACCOUNTABILITY OF THE COMMITTEE TO SUPERVISORY BOARD OF BANK

30. The Committee should ensure an appropriate level of awareness of the Bank Supervisory Board in matters that may significantly affect the financial situation or the state of affairs at the Bank.
31. The Committee is obliged to notify the Supervisory Board of the Bank about its activities through the submission to the Supervisory Board of the Bank of reports on the activities of the Committee in the form approved by the Supervisory Board of the Bank, at least once a quarter.
32. The Committee shall submit to the Supervisory Board of the Bank an annual report on the implementation of the tasks performed by this Committee.

## 10. INTERACTION OF THE COMMITTEE WITH THE BANK MANAGEMENT BODIES AND OTHER PERSONS

33. In order to ensure the effective performance of the Committee's functions, members of the Committee should have access to all necessary information. Members of the Executive Board of the Bank, the Supervisory Board of the Bank, the Audit Commission of the Bank, as well as heads of structural divisions and employees of the Bank are obliged by the Committee's decision to provide full and reliable information and documents on the subject of the Committee's activities within the time limits set by them. The request for information and documents is drawn up in writing and signed by the Chairman of the Committee.

Director of Branches Management Department	_____	A. Parpiev
Head of Corporate Governance Office of the Executive Board of the Bank (Corporate Advisor)	_____	A. Rakhmanov
Director of the Accounting Department - Chief Accountant	_____	N. Irgashev
Head of Internal Control Service	_____	H. Yuldashev
Head of Legal Service	_____	K.Teshaboev
Head of Department for Work with Staff	_____	G. Mirabdullaev
Head of Department for Work with Population Contributions	_____	F.Hudayberdiev
Head of Sector for Management Operating		



Risks and Fraud Risks \_\_\_\_\_

D. Madrahimov

Leading Specialist of Department  
of Standards and Business Processes  
(business process management) \_\_\_\_\_

O. Yusupov

Specialist of Methodology Sector \_\_\_\_\_

N.Israilova