

**«APPROVED»**  
**at the Meeting of the Supervisory  
Council of  
JSCB «ASIA ALLIANCE BANK**  
**dated «26» January  
2021, Minutes No. K-1**

**CORPORATE GOVERNANCE  
POLICY OF THE JOINT-STOCK  
COMMERCIAL BANK  
«ASIA ALLIANCE BANK**

**Tashkent - 2021**

*Corporate Governance Policy of JSCB «ASIA ALLIANCE BANK»*

## **I. GENERAL PROVISIONS**

**1.1.** This Corporate Governance Policy (hereinafter referred to as the Policy) of Joint-Stock Commercial Bank “ASIA ALLIANCE BANK” (hereinafter referred to as the Bank) is developed in accordance with the Laws of the Republic of Uzbekistan «On Joint-Stock Companies and Protection of Shareholder Rights», «On Securities Market», «On Banks and Banking Activity», Regulation «On Corporate Governance in Commercial Banks» (reg. No. 3254 dated June 30, 2020) and other existing legal and regulatory acts of the Republic of Uzbekistan, as well as the Principles of Corporate Governance for Banks of the Basel Committee on Banking Supervision.

Specific corporate governance procedures are governed by the Bank’s internal documents, including:

- 1) The Charter of the Bank;
- 2) Regulations on the General Meeting of Shareholders;
- 3) Regulations on the Supervisory Council;
- 4) Regulations on the Management Board;
- 5) Internal Control Policy;
- 6) Code of Corporate Ethics;
- 7) Corporate Governance Code;
- 8) Regulation on Information Policy;
- 9) Dividend Policy.

**1.2.** The purpose of this Policy is to describe the Bank’s corporate governance system and, on this basis, to implement effective corporate governance in the Bank.

**1.3.** Adoption and implementation of the Policy is aimed at implementing the following tasks:

- Ensuring efficient operation of the Bank;
- Maximization of shareholders’ welfare by increasing the market value of the Bank’s shares and increasing the level of capitalization;
- increasing the investment attractiveness and competitiveness of the Bank;
- increasing the financial stability and strengthening the resource base of the Bank;
- capital growth and improvement of the quality of the Bank’s assets;
- elaboration of the optimal medium- and long-term development strategies of the Bank and control over their implementation;
- Ensuring a balance of interests of all participants in corporate relations.

## **II. BASIC PRINCIPLES OF CORPORATE GOVERNANCE AND OBSERVANCE OF SHAREHOLDER RIGHTS**

**2.1.** The priority of corporate governance of the Bank is respect for the rights and legitimate interests of shareholders, partners and customers, transparency of information, ensuring effective operation of the Bank, maintaining its financial stability and profitability.

**2.2.** The system of corporate governance in the Bank is based on the following fundamental principles:

- effective cooperation and interaction of the Bank's management bodies;
- clear distribution of powers and tasks of management and control bodies, set forth in internal documents of the Bank;
- protecting the rights and legitimate interests of the Bank's shareholders and ensuring equal treatment of all shareholders, regardless of their shareholding in the Bank's authorized capital and jurisdiction;
- the appropriate level of accountability;
- formation of the Supervisory Council and the Management Board of the Bank, from highly qualified personnel who adhere to high professional and ethical standards in performing their functional duties;
- compliance with the principles of reasonableness and good faith of the Bank's management bodies in making management decisions;
- timely disclosure of complete and reliable information about the Bank, including its financial position, economic indicators, ownership structure;
- effective control over the Bank's financial and economic activities and risk management;
- ensuring compliance with the Bank's professional ethics, anti-corruption measures and settlement of conflicts of interest.

### **Significant Corporate Actions**

**2.3.** Taking into account the priority of the rights and interests of shareholders, important (significant) decisions in the activities of the Bank, including reorganization, amendments to the Charter, profit distribution, major transactions, the subject of which is property, the book value or acquisition cost of which is over fifty percent of the net assets of the Bank at the date of the decision to make such a transaction, the election of members of the Supervisory Council and the Revision Commission shall be adopted by the General Meeting of Shareholders of the Bank.

**2.4.** The procedure for preparing and holding the General Meeting of Shareholders of the Bank is determined by the Regulation «On the General Meeting of Shareholders of JSCB «ASIA ALLIANCE BANK», according to which every ~~shareholder has the opportunity to freely exercise his right to vote in a convenient way for him.~~

## **Protection of Shareholders' Rights**

**2.5.** Respect for the legitimate interests of shareholders, ensuring equality of rights of holders of shares of the same type provided by each share, regardless of their number, and equal treatment of shareholders by the Bank, regardless of their income level, gender, race, religion, nationality, language, social origin, personal and social status, is one of the main objectives of corporate governance.

**2.6.** Ensuring the interests of shareholders who have invested their funds in the Bank's activities is its main priority. At the same time, the Bank makes every effort to ensure that the interests of other stakeholders in matters of corporate and social responsibility of the Bank are taken into account when developing its development strategy and conducting operational activities.

**2.7.** The Bank's Charter provides for the possibility of establishing a committee of minority shareholders to protect their rights and legitimate interests. This Committee was not created at the Bank due to the absence of minority shareholders among the owners of the Bank as of the date of approval of the Policy.

## **Dividend Policy**

**2.8.** In order to establish a transparent and comprehensible mechanism for the shareholders to decide on the payment of dividends, to determine the amount, procedure and timing of their payment, the General Meeting of Shareholders of the Bank shall annually approve the dividend policy.

The dividend policy is based on the balance of interests of the Bank and its shareholders in determining the amount of dividend payments, increasing the investment attractiveness, financial stability, capitalization and liquidity of the Bank, as well as on respecting and strictly observing the rights of shareholders and enhancing their well-being.

## **Execution of Major Transactions and Transactions with Affiliated Persons**

**2.9.** In accordance with the requirements of the legislation and best practices of corporate governance, the Bank has developed and applies an internal document regulating the process of major transactions and transactions with affiliates, in particular determining the responsible persons, procedures and conditions for the examination of transactions and subsequent decision-making on them by the authorized management bodies of the Bank.

**2.10.** Information on major transactions and transactions with affiliated persons of the Bank shall be disclosed in accordance with the procedure established by law.

### **III. CORPORATE GOVERNANCE SYSTEM**

**3.1.** Corporate governance system of the Bank fully meets the requirements of the legislation of the Republic of Uzbekistan, regulatory legal acts of the Central Bank of the Republic of Uzbekistan, Corporate Governance Code, recommendations of the Basel Committee on Banking Supervision, best international standards and practices of corporate governance (Appendix).

**3.2.** The Bank undertakes to follow the recommendations of the Corporate Governance Code, approved by the minutes of the meeting of the Commission on improving the efficiency of joint stock companies and improvement of the corporate governance system No. 9 of December 31, 2015, and the Rules of Corporate Governance for enterprises with the state participation in accordance with the Organization for Economic Cooperation and Development Corporate Governance Guidelines (2015) for state-owned enterprises.

**3.3.** In order to monitor the implementation of recommendations of the Code, by decision of the Supervisory Council, the Bank at least once a year evaluates the corporate governance system, for the implementation of which it engages an independent organization on a competitive basis.

**3.4.** The results of assessment of the corporate governance system shall be disclosed on the Bank's corporate web-site and other Internet resources for access to them by all interested persons.

#### **Management Bodies of the Bank**

**3.5.** The management bodies of the Bank shall be:

General Meeting of Shareholders;

Supervisory Council;

Board.

**3.6.** The supreme management body of the Bank is the General Meeting of Shareholders, through which the shareholders owning shares of the Bank exercise their right to participate in the management of the Bank. The activity and competence of the General Meeting of Shareholders shall be regulated by the Regulation on the General Meeting of Shareholders of the Bank.

**3.7.** The Supervisory Council of the Bank performs general management of the Bank's activities, performs supervisory and controlling functions in the process of making management decisions and is responsible for the activities and financial stability of the Bank as a whole. The activity and competence of the Supervisory Council is regulated by the Regulation on the Supervisory Council of the Bank.

**3.8.** The members of the Supervisory Council of the Bank shall promote reasonable corporate governance of the Bank and, in the performance of their powers and duties, take into account the legitimate interests of the Bank, its depositors and shareholders, as well as ensure effective cooperation between the Bank and the Central Bank.

**3.9.** When forming the composition of the Supervisory Council, the requirement of having at least one independent member in the composition of this

body shall be taken into account.

**3.10.** The Management Board of the Bank, being an executive management body of the Bank, performs the operational management of the Bank in accordance with the strategy and activity management system approved by the Supervisory Council of the Bank, and bears full responsibility for the activities of the Bank.

**3.11.** The Board of the Bank shall:

implement the strategic objectives, corporate governance policy, other internal policies of the Bank, including the identification, management, monitoring and reporting of risks, maintaining capital adequacy at the appropriate level;

ensure appropriate and transparent organizational structure of the Bank's management, including distribution of powers and responsibilities between bank employees within the limits of their authority;

exercise control over the activities of the Bank's employees;

implement the adopted annual business plan of the Bank, as well as to report quarterly to the General Meeting of Shareholders and the Supervisory Council of the Bank on the work done, measures and sanctions applied to the Bank;

perform other duties stipulated by the Charter of the Bank, «Regulations on the Management Board» and the legislation on banks and banking activities.

**3.12.** Members of the Supervisory Council and the Management Board, as well as key personnel of the Bank must have an impeccable business reputation, have experience, knowledge and skills necessary to ensure effective risk management of the Bank, making informed decisions within their authority.

**3.13.** The Bank makes all possible efforts to ensure that the members of the Supervisory Council and the Management Board, as well as key personnel of the Bank, comply with the requirements of the legislation on banks and banking activities at all times.

**3.14.** The Bank has developed and implemented internal regulatory documents approved by the supreme management body of the Bank and regulating the activities of each of its management bodies.

### **Internal Control System**

**3.15.** Internal control is an ongoing process integrated into the Bank's activities and aimed at improving the efficiency of risk management, control and corporate governance processes in order to obtain reasonable and sufficient regarding the achievement of the Bank's goals in the following areas:

- the efficiency and productivity of operations, including the degree of operational efficiency, profit generation and asset protection;
- reliability and reliability of financial statements;
- compliance with the law and the norms of law that regulate the activities of the Bank.

**3.16.** Internal Control System is a set of organizational structure, control measures, procedures and methods of internal control, regulated by internal documents, organized and implemented in the Bank by the Supervisory Council of the Bank, the Audit Committee, the Revision Commission, the Risk Supervision Committee, the

Internal Audit Service, the Banking Risk Management, the Financial Monitoring Department, the Management Board, as well as other Bank employees at all levels, and each is responsible in the established order

**3.17. The functions of the Supervisory Council include:**

- determining the direction of development and approval of certain operations and strategies of the internal control system;
- Annual report to the annual General Meeting of Shareholders of the Bank on the results of the analysis and evaluation of the reliability and efficiency of the internal control system based on the regular reports of the Chairman of the Management Board, internal and external audits, the Revision Commission, information from other sources and own observations on all aspects of internal control, including: financial control, operational control, control over compliance with legislation, control of internal policies and procedures;

**Committees under the Supervisory Council**

**3.18.** The Supervisory Council shall form committees which are consultative and advisory bodies created for preliminary consideration and study of issues in certain areas of the Bank's activities falling within the competence of the Supervisory Council, and prepare recommendations to it for making decisions on such issues.

**3.19.** Committees are auxiliary bodies accountable to the Supervisory Council and may not act on behalf of the Bank or the Supervisory Council.

**3.20.** As of the date of approval of the Policy, the Supervisory Council of the Bank has the following committees:

**Audit Committee**, the main purpose of which is to protect the interests of shareholders and depositors of the Bank by controlling the proper level of reliability of operations conducted by the Bank and minimizing the risks of banking activities, whose tasks and powers are reflected in the Regulation on the Audit Committee;

**Risk Supervision Committee**, the purpose of which is to implement an ~~effective banking risk management system and assist the Supervisory Council of the~~ Bank in exercising control functions and developing measures to prevent risks and ensure maximum awareness of the situation in the Bank in accordance with the Charter, Corporate Code and other internal regulatory documents of the Bank, whose tasks and powers are reflected in the Regulation on the Risk Supervision Committee.

Responsibility for performing the functions of internal financial, economic and legal control over the activities of the Bank and its separate divisions is vested in the permanent body of internal control - **the Revision Commission**, whose tasks and powers are reflected in the Regulation on the Revision Commission.

**Internal Audit Service** is Internal Audit Department, carrying out inspection (audit) and monitoring the state of internal control in the Bank, including the efficiency of financial and economic activities, reliability of accounting and reliability, completeness and objectivity of reporting, compliance with banking legislation acts of the Republic of Uzbekistan, constituent and internal documents, established rules and procedures for banking operations, as well as providing advice

to the Supervisory Council of the Bank on improving efficiency and transparency.

The main purpose of internal audit is to protect the rights and legitimate interests of all shareholders, including minority shareholders, to assist the Supervisory Council and the Management Board of the Bank in achieving its goals. The tasks and powers of the Service are reflected in the Regulation on the Internal Audit Department.

**Banking Risk Management Department** is a working body of the Risk Oversight Committee. The objectives of the Department are:

- protection of interests of depositors, creditors and shareholders of the Bank;
- reduction, elimination and suppression of banking risks;
- ensuring a sufficient level of stability of the bank's activities;
- maximizing the value of investments by effectively managing the risks of banking activities within the limits established by the Supervisory Council of the Bank and ensuring an appropriate level of reliability consistent with the nature and scale of the Bank's operations. The tasks and authority of the Department are regulated by the «Regulation on Bank Risk Management».

**Department of Financial Monitoring (Compliance)** in its activities is guided by the «Regulations on the Department of Financial Monitoring», which reflects its main objectives and powers. The objectives of the Department are:

- Effective detection/identification, assessment, documentation, risk mitigation and prevention of transactions related to money laundering, terrorist financing and proliferation of weapons of mass destruction;
- Timely prevention of abuse and corrupt practices;
- Ensuring strict compliance with legislation against money laundering, financing of terrorism and proliferation of weapons of mass destruction;
- timely identification of risks of financial fraud and corruption in the Bank and taking measures to eliminate them.

**3.21.** Responsibility for functioning of the internal control system is vested in the Chairman of the Management Board. The Chairman of the Bank's Management Board implements the procedures of the internal control system and ensures its effective functioning by timely informing the Supervisory Council about all the risks of the Bank, material deficiencies of the internal control system, as well as about the plans and results of measures to eliminate them.

**3.22.** Proper functioning of the internal control system also depends on the professionalism of employees. The Bank endeavors to ensure that the system of selection, recruitment, education, and training ensures that the staff is highly qualified and adheres to high ethical standards.

### **Remuneration of Members of the Supervisory Council, Management Board, Corporate Counsel and Key Personnel**

**3.23.** In order to ensure a transparent mechanism of calculation and payment of remuneration to the members of the Supervisory Council and the Board, the Bank has developed and approved the Regulations «On the Procedure for Payment of Remuneration to the Members of the Supervisory Council of JSCB «ASIA ALLIANCE BANK» and «On the Procedure for Payment of Remuneration and



Compensations to the Members of the Board of JSCB «ASIA ALLIANCE BANK». Also, there will be developed and implemented methods of remuneration of key personnel, contributing and corresponding to reasonable and effective risk management.

**3.24.** The criteria for payment of remuneration to the members of the Supervisory Council of the Bank are:

- personal participation in the meetings of the Supervisory Council of the Bank and the committees of the Supervisory Council of the Bank;
- the results of assessment of the corporate governance system carried out by an independent organization.

The General Meeting of Shareholders of the Bank may determine additional criteria for deciding on payment of remuneration to the members of the Supervisory Council of the Bank.

**3.25.** The Bank may not distribute profits by paying dividends to shareholders or remuneration to members of the Supervisory Council and the Management Board in cases of:

non-compliance of prudential norms with the requirements established by the Central Bank or their violation as a result of this distribution;

insolvency (bankruptcy) or signs of insolvency (bankruptcy) as a result of the given distribution;

failure to fulfill or inability to fulfill the assignments of the Central Bank to eliminate the shortcomings set forth in the mandatory instructions of the Central Bank, including with regard to information disclosure

the existence of the claim of the Central Bank to the bank on non-distribution of profits.

## **IV. INFORMATION DISCLOSURE AND TRANSPARENCY**

### **General Principles of Information Disclosure**

**4.1.** The Bank shall disclose information in accordance with the legislation and internal regulatory documents of the Bank.

**4.2.** In order to ensure openness and transparency of the Bank's activities by meeting the information needs of shareholders, investors, professional securities market participants and other stakeholders in obtaining timely and reliable information about the Bank and its activities, which is essential for them to make balanced investment and managerial decisions, the Supervisory Council of the Bank approved the Regulation on Information Policy.

**4.3.** The Bank's information policy is based on the following principles: equality, regularity, timeliness, completeness, reliability, consistency, objectivity, accessibility, balance, neutrality and security.

**4.4.** Ensuring transparency of the Bank's activities is an integral part of improving the quality of the corporate governance system and investor and shareholder confidence.

**4.5.** Control over compliance with the Bank's information policy shall be exercised by the Supervisory Council.

### **Basic Mechanisms of Information Disclosure**

**4.6.** The Management Board shall ensure timely and full disclosure of information in the form of:

annual and quarterly reports;  
issue prospectuses;  
material facts;  
other information subject to  
mandatory disclosure in  
accordance with legislation.

**4.7.** Information about the Bank shall be disclosed with a frequency that ensures timely communication of material changes related to the activities of the Bank to interested parties.

**4.8.** Other information shall be disclosed by the Management Board on a proactive basis in order to provide stakeholders with extended information on the Bank's activities in accordance with the best international practices of corporate governance.

**4.9.** Any information on the Bank obtained by employees and members of its management bodies may not be used by them for personal purposes.

**4.10.** Information disclosure methods shall be selected taking into account free access of interested persons thereto, in particular, information shall be disclosed on the official corporate web-site of the Bank ([www.aab.uz](http://www.aab.uz)), Uniform Portal of Corporate Information ([www.openinfo.uz](http://www.openinfo.uz)) and web-site of the Republican Stock Exchange «Toshkent» ([www.uzse.uz](http://www.uzse.uz)) (if the Bank securities are included into quotation list of stock exchange).

### **Official website of the Bank**

**4.11.** The Bank shall have its official corporate web-site at the address: <https://www.aab.uz>. In order to provide shareholders, investors, customers and other interested parties with reliable operational information covering various areas of activities of the Bank, monitoring and updating of data is carried out on a regular basis, as well as checking the compliance of the specified information resource with the requirements of legislation, in particular the Regulation on the Requirements for Corporate Web Sites of Joint Stock Companies, approved by the Cabinet of Ministers of the Republic of Uzbekistan dated July 2, 2014 No. 176.

## **V. RISK MANAGEMENT. EXTERNAL AUDIT**

### **Risk Management**

**5.1.** Risk management system is an integral part of the Bank's corporate governance system. Effective risk management is one of the key factors of the Bank's

stable development, achievement of its strategic objectives and capitalization growth. To manage risks, the Bank annually approves the Policy on Identification, Management, Monitoring and Reporting of Risks of the Bank, which defines the goals and objectives of risk management, principles and organization of the risk management process, as well as the risk management process participants, their authority and responsibility.

**5.2.** The main purpose of this policy is to build an effective comprehensive risk management system, as well as continuous improvement based on a unified standardized approach to risk management methods and procedures.

**5.3.** The Bank's risk management system is a set of interrelated components combined into a single process whereby the Supervisory Council, the Management Board and employees, each at its own level, are involved in identifying potential adverse events that may affect the Bank's operations, as well as in managing these events within the risk level acceptable to shareholders.

**5.4.** The participants in the RMS are:

1) The Supervisory Council, including the following functioning under the Supervisory Council:

- Audit Committee;
- Risk Management Committee.

2) The Board, including the following functioning under the

- Board:
- Assets and Liabilities Management Committee;
- Credit Committee;
- Investment Committee;

Other authorized bodies the powers of which include risk management functions.

3) Structural units of the Bank responsible for risk management;

4) Internal Audit Service;

5) other structural units and employees of the Bank.

The powers and responsibilities of the Bank's risk management process participants are regulated by the Policy on Identification, Management, Monitoring and Reporting of the Bank's Risks.

### **External Audit**

**5.5.** In order to carry out a mandatory audit of its financial and economic activities, the Bank shall, by resolution of the General Meeting of Shareholders, engage an independent audit organization (external audit), which shall submit to the General Meeting of Shareholders an audit report in accordance with the procedure established by law in accordance with the contract concluded with it.

**5.6.** For implementation of other tasks, an independent audit organization may be engaged by the Supervisory Council of the Bank.

## **VI. FINANCIAL REPORTING**

**6.1.** The financial reporting presents fairly the financial position, financial results and cash flows of the Bank. Taking into account modern requirements to financial reporting, the Bank's financial statements are prepared honestly and in good faith in accordance with IFRS requirements.

**6.2.** The financial statements are a structured representation of the financial position and financial results of the Bank. To achieve this purpose, the financial statements contain information on the following indicators of the Bank's activities:

- (a) assets;
- (b) liabilities;
- (c) capital;
- (d) income and expenses, including gains and losses;
- (e) contributions and distributions to, and acting in their capacity as owners;
- (f) cash flows.

**6.3.** The financial statements shall be prepared on the basis of the principle of continuity. The Bank shall present a complete set of financial statements (including comparative information) at least on an annual basis.

## **VII. PRINCIPLES FOR PREVENTING CONFLICTS OF INTEREST**

**7.1.** Conflict of interests is a conflict between property or other interests of the Bank (its management and control bodies, officials, employees) and property or other interests of creditors, counterparties and other customers, when as a result of action (inaction) of management and control bodies of the Bank and (or) its employees there may be cases of violation of rights and legitimate interests of shareholders.

**7.2.** The following principles form the basis for the Bank's work on managing conflicts of interest:

- compulsory disclosure of actual or potential conflicts of interest;
- individual consideration and evaluation of reputational risks for the Bank upon identification of each conflict of interest and settlement thereof;
- confidentiality of the process of disclosing information on conflicts of interests and the process of settlement thereof;
- prevention and avoidance of conflicts of interests and corporate conflicts by the Bank's management bodies when making decisions within the established powers.

## **VIII. PERSONNEL MANAGEMENT POLICY**

**8.1.** Personnel policy in the Bank is regulated by «Personnel Management Policy».

**8.2.** Personnel Management Policy is an integral long-term strategy of personnel management of JSCB «ASIA ALLIANCE BANK», the main goal of which is:

- a) in full and timely satisfaction of the Bank's needs for human resources of the required quality and quantity;
- b) creation of a cohesive, responsible and highly productive labor team;

- c) getting the maximum return on investment in personnel. The Personnel Management Policy establishes:
- d) requirements for the employee at the stage of recruitment (education, experience, level of special training, etc.);
- e) attitude to the nature of preparation of new workplaces in the Bank as well as to re-training of personnel;
- f) attitude to internal transfer of personnel.

**8.3.** The main objectives of the Personnel Management Policy are:

- a) optimization and stabilization of personnel composition of key structural divisions of the Bank;
- b) creation of an effective motivation system for the Bank's employees;
- c) creation and maintenance of a strict organizational order in the Bank, strengthening of performance, responsibility of employees for their duties, strengthening of labor and production discipline;
- d) creation of a personnel reserve;
- e) development of the system of training and professional development of specialists, creation of an environment for disclosure of talented staff;
- f) formation and improvement of corporate culture of the Bank.

**8.4.** The main requirement of the Personnel Management Policy is quality understood as:

- quality of personnel involved in the business;
- quality of rendered services and provided products;
- quality and effectiveness of business processes.

**8.5.** The main task of the personnel policy for the coming years will be to create a team of professionals capable of solving the tasks of the Bank's strategic development, aimed at ensuring and developing its competitive advantages.

**8.6.** The Bank's Personnel policy is aimed at creating a hard-working and cohesive team capable of solving the Bank's tasks efficiently and promptly. To achieve this goal, the Bank's management systematically carries out work aimed at increasing the professional level of employees, improving the selection and placement of staff, developing opportunities for rapid professional growth of employees.

## **IX. CORPORATE CONDUCT AND BUSINESS ETHICS**

**9.1.** Unconditional adherence to the ethical principles set forth in the internal documents of the Bank by all members of the management bodies provides the ethical principles-oriented basis of the corporate culture, contributes to strengthening of the Bank's business reputation, development of business cooperation with customers and partners of the Bank.

**9.2.** All members of the management bodies shall act in accordance with the high principles of professional and business ethics enshrined in the Bank's internal regulatory documents, be intolerant to corruption in any of its manifestations and forms, comply with legal requirements, regularly undergo training on ethics and anti-

corruption issues.

The Bank has developed and implemented relevant internal regulatory documents on the above issues.

**9.3.** The identity of a member of the Supervisory Council, the Management Board or an employee of the Bank reporting suspicious activities, fraud or abuse related to the Bank or a legal entity under the control of the Bank shall remain anonymous.

## **X. BANK DEVELOPMENT STRATEGY**

**10.1.** The Bank's development strategy should contain quantitative and qualitative indicators to evaluate the activities of the Bank as a whole, its individual units and employees, as well as the ability to compare the results achieved in the relevant planning period with the planned indicators.

**10.2.** To determine the development strategy and objectives for the long and medium term, the management bodies of the Bank shall:

- develop and approve at the General Meeting of Shareholders the Bank's development strategy based on the analysis of the competitive environment and tasks to ensure sustainable development of the Bank;

- broadly apply successfully tested in foreign practice management methods, including SWOT analysis and other approaches;

- develop and submit short-term (annual) business plans based on the long-term strategy approved by the General Meeting of Shareholders or the Supervisory Council for endorsement (approval);

**10.3.** The Supervisory Council of the Bank shall coordinate the activities of the executive body in the implementation of strategic tasks and, if necessary, engage experts to organize the development and monitoring of strategies and business plans of the Bank.

## **XI. PRINCIPLES OF INTERACTION WITH CUSTOMERS AND BANK EMPLOYEES**

### **Interaction with Customers**

**11.1.** The Bank is focused on providing financial and banking services to a wide range of clients. In this context, the Bank's strategy is to constantly expand its client base and improve the quality of its services by:

- providing its clients with full information about its services, financial opportunities, domestic and world market conditions, and banking technologies in use, to the extent sufficient to assess the level of risk of assumed mutual obligations;

- timely and qualitative settlement, cash and credit operations, opening of bank accounts, rendering other services by guaranteeing their compliance with requirements of the legislation;

- protection of interests of each client, excluding any forms of discrimination and granting any unreasonable benefits, preferences, based on subjective factors;

- providing protection of information on operations and status of clients'

accounts, allowing its disclosure only in cases stipulated by the legislation of the Republic of Uzbekistan;

- prompt consideration of arising disputable and conflict situations, contributing to their settlement by constructive and compromise way;
- carrying out qualified explanatory work on application of legislative norms and banking rules.

**11.2.** Relationships between employees and customers shall be built in accordance with the requirements of the «Standards of Customer Service of JSCB «ASIA ALLIANCE BANK». The Bank is aimed at establishing stable and trusting relations with clients, interaction with which is built on the principle: «Respect, Honesty and Openness». Employees do not use the client's ignorance (or incompetence) in resolving arising issues for the benefit of the Bank or for personal gain.

**11.3.** In order to regulate the work with the appeals of the clients, the Bank has developed the «Regulation on the Work with the Appeals of Individuals and Legal Entities in the System of JSCB «ASIA ALLIANCE BANK». The Bank carefully considers the appeals of the customers containing the claims related to improper banking services and responds to them in a timely manner.

### **Interaction with Employees**

**11.4.** The Bank shall value its personnel for competence and professionalism, decency and discipline. The Bank shall build relations with its employees on the principles of cooperation, mutual respect and strict fulfillment of the obligations assumed.

**11.5.** The Bank shall create a favorable environment for each employee to demonstrate their individual creative abilities and professional qualities to the maximum extent, in combination with working on himself/herself and raise his/her business qualifications.

**11.6.** The Bank excludes any form of discrimination against its employees. All employees of the Bank shall be provided with equal opportunities in terms of hiring, further career development, selection for professional training, working conditions, safety, amount of salary, material remuneration in accordance with qualification and real contribution to performance results, labor legislation and benefits provided by the social programs of the Bank. Only professionalism, integrity, personal potential and dedication of an employee are decisive factors in resolving these issues.

**11.7.** The Bank welcomes the active participation of employees in the life of the Bank, which contributes to the development of corporate culture and internal cooperation. At the same time, the Bank requires the employees to duly:

- adhere to the Code of Corporate Ethics of JSCB «ASIA ALLIANCE BANK»;
- comply with the rules of internal labor regulations, job descriptions and provisions of other internal documents of the Bank;
- execute instructions and assignments of management responsibly and constantly improve themselves;
- use professional knowledge, experience and skills for protection of legal

rights and interests of shareholders, clients and partners, to take reasonable and responsible actions aimed at prevention of possible conflicts of interests;

- treat the property of the Bank with care;
- ensure safety of information on deposits and accounts of customers, other information constituting a banking or commercial secret;
- comply with professional ethics, rules of corporate culture, maintain their personal image and reputation of the Bank in accordance with the Code of Corporate Ethics of JSCB «ASIA ALLIANCE BANK».

**11.8.** The Bank shall ensure:

- strict performance of obligations to employees arising from the legislation and the employment contract;
- front of work, a decent level of remuneration, normal and safe working conditions;
- information necessary for performance of job duties, limited only by the legislation, internal documents and competitive environment, as well as on changes in the Bank's activities and decisions of strategic nature;
- equal rights and opportunities in terms of development of skills, abilities, business qualification and self-improvement;
- use of work of employees with different level of professional training at the areas where the greatest benefit is possible.

**11.9.** For the purpose of moral, material encouragement and stimulation of conscientious work, taking into account the real contribution to the results of the Bank's activity, as well as social support, the «Regulation on Material Stimulation and Payment of Salaries to the Employees of JSCB «ASIA ALLIANCE BANK» is developed;



## **XII. FINAL PROVISIONS**

**12.1.** This Policy shall come into force upon its approval by the Supervisory Council of the Bank.

**12.2.** Amendments and additions to the Policy shall be made by decision of the Supervisory Council of the Bank.

Compliance of the Bank's activities with the provisions of this Policy is monitored is performed by the Supervisory Council of the Bank.

**12.3.** The Policy is subject to revision in case of changes in the legislation of the Republic of Uzbekistan, the Charter of the Bank, the Corporate Governance Code, as well as regulatory legal acts of the Central Bank establishing procedures and regulating issues of formation of the corporate governance system of banks.

**Corporate Governance System of JSCB «ASIA ALLIANCE BANK»**



