

Reg No.700
APPROVED BY

Minutes of the general meeting of
shareholders of "Asaka" Bank
No. 01 dated "21" June 2017.

**REGULATION
ON DIVIDEND POLICY OF
"ASAKA" BANK**

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I. GENERAL PROVISIONS

1. This regulation on dividend policy of “Asaka” bank (hereinafter referred to as the “Regulation”) is developed in accordance with the law of the Republic of Uzbekistan “on joint stock companies and protection of shareholder rights”, Decree of the President of the Republic of Uzbekistan N UP-4720 “On measures for introduction of modern corporate governance practices in joint-stock companies” dated 24 April 2015, Corporate governance code, approved by the Minutes of the Commission on increasing the efficiency of joint stock companies and improvement of the Corporate governance system dated 31.12.2015, No. 9, Charter of “Asaka” Bank (hereinafter referred to as the “Bank”) and other applicable regulatory enactments of the Republic of Uzbekistan.

General questions reflecting and revealing the dividend policy of the Bank are provided herein.

2. The Bank`s Dividend Policy is focused on improvement of Shareholders` prosperity and on increase in the Bank's capitalization growth. The main objective of this Regulation is to inform shareholders and other concerned parties about the Bank`s Dividend Policy.

This Regulation defines the approach of the Bank`s Board to making recommendations on the amount of dividends on shares and the manner of their payment.

If any questions related to the payment of dividends to Bank`s shareholders are not regulated by the Law of the Republic of Uzbekistan “on joint-stock companies and protection of shareholder rights”, other regulatory legal acts of the Republic of Uzbekistan, Bank`s Charter and this Regulation, they shall be settled so as to act in the interests and rights of the shareholders.

3. The Bank considers capitalization growth as the main way to serve the legitimate property interests of shareholders in deriving the income from Bank's shares. The Dividend Policy consists in optimization of proportions between absorbed and capitalized portions of profits received by the Bank, in order to increase the market value of shares.

4. The Bank`s dividend policy is based on the following main principles:

the principle of transparency that implies identification and disclosure of information about duties and responsibilities of parties involved in

implementation of the dividend policy, including the procedure and conditions of decision making on dividends payment and their amount;

the principle of timeliness involves establishment of time limits when effecting dividend payments;

the principle of justification implies that the decision on dividends payment and their amount may be made only in the case of achieving positive financial results by the Bank, including development plans and its investment programs based on the Bank`s actual financial situation;

the principle of fairness means ensuring equal rights of shareholders for receiving information concerning decisions on dividends payment, their amount and the procedure of dividends payment;

the principle of consistency implies strict execution of dividend policy procedures and principles;

the principle of development implies continuous improvement of the dividend policy for further improvement of corporate governance procedures and revision of its provisions due to changes in the Bank's strategic goals;

the principle of sustainability implies the Bank's commitment to providing stable level of dividend payments.

5. The Bank is entitled to make decisions (announcements) on payment of dividends on placed shares. The general meeting shareholders is entitled to decide whether to pay dividends on shares or not.

6. The Bank is obliged to pay declared dividends.

Expenses related to payment of dividends (including expenses for calculation and withholding of tax, transfer of dividends, postage expenses) cannot be laid on the shareholder receiving dividends by the decision of governing board. The Bank shall be responsible before shareholders for non-fulfillment of such obligation in accordance with the current legislation of the Republic of Uzbekistan.

7. Dividends shall not be accrued and paid on the following shares:

not placed shares;

shares purchased and/or repurchased by the Bank;

in any other case, as stipulated by legislation of the Republic of Uzbekistan.

8. In the cases specified in the part one of Article 54 of the Law “on joint stock companies and protection of shareholders rights” the Bank is not entitled to pay dividends and make decisions on their payment.

II. PROCEDURE FOR DETERMINING THE AMOUNT AND DISTRIBUTION OF DIVIDENDS

9. At the end of the first quarter, six months, nine months of the fiscal year and (or) financial year-end, the Bank is entitled to take decisions (announce) on payment of dividends on shares, except on shares referred to in paragraph 8 hereof.

The decision on payment (announcement) of dividends at the end of the first quarter, six months and nine months of fiscal year-end can be taken within three months after the ending of the relevant period.

Dividends are paid out from Bank`s net profit that remains at the Bank`s disposal, and (or) from undistributed profit of previous years.

10. The Bank`s general meeting of shareholders is entitled to decide on payment (announcement) of dividends on shares. The Bank`s Board shall provide recommendations to general meeting of shareholders concerning the amount of dividends on shares and the procedure for their payment. The amount of dividends may not exceed the amount recommended by the Board.

11. The decision of general meeting of shareholders on payment (announcement) of dividends shall specify:

- the amount of dividend per one share of certain class;
- terms, procedure and periodicity of dividends payment.

However, the Bank is not entitled to decide on distribution (payment) of dividends in cases established by the legislation, as well as upon impossibility of full payment of dividends on shares within the legal period.

12. The Board shall determine the amount of dividends on shares recommended to the general meeting of shareholders based on the following factors:

- amount of net profit according to the financial statements, the accuracy of which is confirmed by the auditor`s opinion;
- Bank`s business plans for the subsequent periods;
- structures of Bank`s assets at the end of the relevant period;
- Bank`s debt load at the end of the relevant period.

13. Upon determination of the amount of recommended dividends, the Board must consider the Bank's financial and economic plans for the subsequent periods, current and future condition of floating assets and liabilities of the Bank. Payment of dividends recommended by the Board to the Bank's general meeting of shareholders should not lead to raising additional debt financing or other expenses not provided by the approved business plan for subsequent periods.

III. PROCEDURE AND TERMS OF DIVIDENDS PAYMENT

14. The Bank pays dividends by monetary means or by other legal means of payment or in the form of Bank's securities. Declared dividends are paid in the national currency of the Republic of Uzbekistan or at the written request of shareholder, non-resident of the Republic of Uzbekistan, the Bank must convert the accrued dividends to freely convertible currency, and transfer the funds to the bank account specified by non-resident shareholder.

15. The deadlines for dividends payment shall be set by the decision of the Bank's general meeting of shareholders, however, may not exceed 60 days as from the date of decision taking on dividends payment by the general meeting of shareholders.

16. If holders of Bank's securities could not receive cumulated dividends within the deadlines set by the general meeting of shareholders, the Bank shall continue payment for such (unclaimed) dividends. The payment period of unclaimed dividends may not exceed three years from the expiration date of the Bank's obligations on payment of declared dividends.

17. In case of non-payment (non-receipt) of dividends due to a fault of the Bank within the time period set by the general meeting of shareholders, penalty shall be charged for unpaid (uncollected) dividends at the rate of refinancing, established by the Central Bank of the Republic of Uzbekistan. The amount of penalty charged on the unpaid (uncollected) dividends must not exceed 50 percent of the amount of unpaid (uncollected) dividends.

18. Structural subdivision of the Bank, where its duties include organization and conduction of operations with shareholders, jointly with the Bank's accounting department must develop, coordinate and implement all measures for organization of payment of dividends by the Bank under this Regulation.

19. Any shareholder may contact the Bank with a request to provide information on procedure for payment of dividends on shares, the procedure of accounting and taxation of dividends amount, and the terms of payment.

20. The right to receive dividends on shares is given to persons recorded in the Bank's register of shareholders, formed for holding the general meeting of shareholders, on which a decision is taken on payment of dividends to shareholders.

21. Shareholder must, in a timely manner, inform the investment intermediaries and/or the Central Securities Depository, providing services on registering rights to his shares, about changes in his details. If shareholder does not provide information about changes in his details, the Bank, the Central depository and/or the investment intermediary providing services on registering rights to his shares, shall not be liable for any losses caused to shareholder in this regard.

22. If the shareholder failed to correctly specify own address or bank details for transferring dividends, or did not inform the Bank about these details, or did not inform about it in a timely manner, the Bank shall not be liable for any losses caused to shareholder in this regard. After the return of incorrectly transferred dividend amount to the Bank due to shareholder's fault, caused by reasons specified in this paragraph, their repeated transfer, in accordance with corrected details specified by Shareholder is effected with the deduction of expenses for return and repeated transfer.

23. The Bank shall be the tax agent when paying income to shareholders, on shares that they hold and shall pay out accrued dividends after deduction of taxes on yield of shares on securities established by applicable laws of the Republic of Uzbekistan. The shareholder, towards whom ordinary tax rates should not be applied, shall provide to the Bank all supporting documents as specified by current legislation of the Republic of Uzbekistan.

IV. LIABILITY FOR PAYMENT OF DECLARED DIVIDENDS

24. The Bank must pay out declared dividends on shares.

25. When paying dividends, no shareholders is given privileges in payout period.

Payment of accrued dividends by the Bank on common shares is effected subject to equal rights of shareholders for receiving dividends.

However, the Bank is not entitled to pay dividends to major shareholder, if, thereby, the Bank cannot ensure payment of dividends to minority shareholders in a timely manner.

26. The Bank's governance is responsible for full and timely payment of dividends to the Bank's Shareholders. Supervision over actions of the Bank's governance is carried out by the Bank's Board jointly with the Bank's auditing committee.

27. In order to ensure payment of accrued dividends the Bank's Board reviews the issue of payment progress dividends during their meetings. In the case of incomplete or late payment of dividends due to the Bank's governance fault, the Bank's Board determines responsibility measures on persons guilty and imposes appropriate sanctions or initiates their imposition.

28. If the Bank fails to fulfill own obligations, the shareholders are entitled to demand payment of declared dividends on shares by judicial means.

29. The Bank is liable in accordance with the legislation of the Republic of Uzbekistan for non-performance or improper performance of Bank's duties as the tax agent on withhold and transferring tax on dividends.

V. INFORMATION DISCLOSURE PROCEDURE.

30. The Bank shall disclose this Regulation, as well as changes and supplements thereto, on its corporate website within ten days after the signature of the Bank's minutes of the governing body meeting, during which a corresponding decision is taken.

31. When the general meeting of shareholders takes a decision on payment of dividends, the Bank shall disclose information in the form of corporate action notice, within the time limit prescribed by legislation. However, the Bank shall notify the shareholders about distribution of dividends by email.

32. When the Bank duly performs its obligations on payment of dividends, the Bank shall disclose relevant information in the form of corporate action notice, within the time limit prescribed by legislation.

VI. FINAL PROVISIONS

33. This Regulation, as well as changes and supplements thereto are approved by the decision of the general meeting of shareholders.

34. Changes and supplements to this Regulation shall be made at the suggestion of the members of the Bank's Board, Bank's audit committee, Bank's internal audit service, Bank's chairman of the board.

35. If individual articles of this Regulation come into conflict with the current legislation of the Republic of Uzbekistan and/or the Bank's Charter, these articles become invalid and issues regulated by these articles should be guided by regulations of the current legislation of the Republic of Uzbekistan and/or the Bank's Charter until the appropriate amendments are entered into this Regulation.

36. The "Asaka" Bank Dividend Policy" approved by the Bank's Minutes of the Board's meeting No. 17 dated 4 August 2016 shall become null and void immediately upon entry of this Policy into force.

Chairman of the Board

Akhmedkhadjaev A.I.

Members of the board:

Kasimov R.K. _____

Norinbaev O.K. _____

Galinova Z.A. _____

Pulatova M.Sh. _____

Prepared by:

**Head of the
Treasury department**

Iskanov I.Kh. _____

**Head of the department for economic analysis,
strategic development and coordination
of methodological works:**

Bakhramov A. B. _____

Head of the

Internal Audit Service

Kariev A.A. _____