

**«APPROVED»
by the Supervisory Board
«ANOR BANK» JSC**

_____, 2020
Minute №__

Chairman of the Supervisory Board

**DIVIDEND POLICY
OF «ANOR BANK» JSC**

Tashkent – 2020

I. GENERAL PROVISIONS

1. This Dividend Policy of “ANOR BANK” JSC (hereinafter referred to as – the Policy) has been developed in compliance with the Civil Code of the Republic of Uzbekistan, the Laws of the Republic of Uzbekistan “On Securities Market”, “On Joint Stock Companies and Protection of Shareholder Rights”, Regulation “On Corporate Governance in Commercial Banks” (reg. under № 943 as of July 05, 2000), the Charter of “ANOR BANK” JSC (hereinafter referred to as – the bank) and other effective regulatory documents. The Policy represents a document in the sphere of use of profits upon determination and payment of dividends, establishes key principles, the procedure of decision-making on payment (declaration) of dividends, the procedure of calculation the amount of dividends and their payment and shall be directed at informing shareholders and other interested persons on dividend policy of the bank.

2. Terms and definitions used in this Policy shall be applied in the meaning as they are used in the legislation of the Republic of Uzbekistan on joint-stock companies and securities unless otherwise stipulated by this Policy.

The following terms and definitions shall be used herein for the purposes of this Policy:

General Meeting of Shareholders – the supreme management body of the bank;

dividends – a part of net profit of the bank distributed among shareholders;

declared dividends – dividends, the decision on payment of which has been made by the General Meeting of Shareholders;

a person who has the right to receive dividends – a person, who has been recorded in the registry of shareholders of the bank, formed for holding of the General Meeting of Shareholders, and in the process of which the decision on dividend payment to shareholders was adopted;

decision on payment (declaration) of dividends – decision of the General Meeting of Shareholders to make payment of dividends to persons who have the right to receive dividends; such decision may be taken according to the results of the first quarter, semester, nine months of the reporting year and (or) according to results of the reporting year;

terms of dividend payment – the date of execution of the obligation to pay dividends or the period within which the obligation to pay dividends is to be performed. The liability for paying dividends shall be subject to execution on that day or at any time within such period.

3. Any issues not regulated by this Policy shall be regulated by the current legislation of the Republic of Uzbekistan and internal documents of the bank.

II. KEY PROVISIONS ON DIVIDENDS

4. A dividend is a part of net profit of the bank, which is distributed among shareholders. According to the decision of the General Meeting of Shareholders, a dividend may be paid in monetary means or other legal means of payment or securities of the bank.

Payment of dividends on preferred shares of the bank by securities is not allowed.

Dividends shall be distributed among shareholders of the bank in proportion to the number and type of shares belonging to them.

5. Making a decision on payment of dividends for all types of shares represents a right of the bank, but not its obligation.

6. Holders of ordinary and preferred shares placed by the bank are entitled to receive dividends.

7. Net profit remaining at the disposal of the bank and (or) undistributed profit of previous years shall be the source of dividend payment. Dividends on preference shares may also be paid at the expense of the funds of the bank that have been specially designated for this purpose. The net profit of the bank shall be calculated on the basis of data of accounting reports of the bank.

8. The bank shall pay dividends with regard to its activity results and plans of its mid-term and long-term development.

9. Only declared dividends shall be paid by the bank. If there is no decision on payment (announcement) of dividends, the bank shall have no right to pay dividends, whereas shareholders shall have no right to demand their payment.

10. Payment of announced dividends shall be the obligation of the bank. The bank shall be liable to persons entitled to receive dividends for non-fulfillment of such obligation in compliance with the current legislation of the Republic of Uzbekistan.

11. The Management Board of the bank shall ensure timely and complete payment of announced dividends.

III. THE PRINCIPLES OF THE DIVIDEND POLICY

12. The dividend policy of the bank shall be based on the following principles:

a) compliance with norms of the current legislation of the Republic of Uzbekistan and the Charter of the bank;

b) aspiration to meet high standards of corporate management;

c) provision of motivation of management and shareholders in increasing profitability of the bank;

d) the best combination of short-term and long-term interests of the bank and its shareholders;

e) increase of investment prospects of the bank and its capitalization;

f) provision of maximum transparency of the mechanism of calculation of the size of dividends, procedure and terms of their payment;

g) respect and strict observance of the rights of shareholders, stipulated by the current legislation of the Republic of Uzbekistan and the best practices of corporate management.

13. According to the financial results of the activities of the bank, the Supervisory Board of the bank shall determine the recommended amount of dividend payments.

14. In the process of establishing the amount of dividends recommended to the General Meeting of Shareholders by the types of shares allocated by the bank, the Supervisory Board shall consider the following factors:

- the amount of net profit of the bank on the basis of data from the accounting reports of the bank, as prepared in compliance with the requirements of the legislation of the Republic of Uzbekistan;

- the amount of net profit of the bank based on data of consolidated financial reports of the bank, prepared in compliance with international standards for financial reporting;

- the need of the bank in capital for sustainable development of business and realization of its strategy, compliance with current and expected future requirements of the legislation of the Republic of Uzbekistan and the Central Bank, along with the recommendations of the Basel Committee on Banking Supervision;

- the state and tendencies of the economic conjuncture and operating environment, other external and internal changes which have or may have a considerable adverse effect on the results of the activities conducted by the bank;

- compliance with the balance between the interests of the bank and its shareholders, with due consideration of the necessity to increase the investment attractiveness of the bank;

- other factors which may have a considerable impact on the activity of the bank and making a decision on the amount of dividends.

IV. THE PROCEDURE OF MAKING A DECISION ON DIVIDEND PAYMENT

15. The decision about paying (announcing) dividends, including the decision about the amount of dividends, the procedure and the form of their payment for shares of each type, shall be adopted by the General Meeting of Shareholders according to the recommendation of the Supervisory Board of the bank, the data of financial reports if there is an audit conclusion on its authenticity.

The bank shall be entitled to make a decision (declare) to pay dividends on outstanding shares according to the results of the first quarter, semester, nine months of the accounting year and (or) according to the results of the accounting year.

The decision about paying (announcing) dividends according to the results of the first quarter, semester and nine months of the accounting year can be made over the period of three months after the end of the corresponding period.

The followings shall be obligatory conditions for paying dividends to shareholders:

- availability of net profit in the bank according to the results of the period for which the dividends are supposed to be paid;

- absence of restrictions to pay dividends according to the current legislation of the Republic of Uzbekistan.

18. It is not allowed to pay dividends if such payment may result in serious deterioration of the financial and economic condition of the bank.

19. The amount of dividends may not be higher than that recommended by the Supervisory Board of the bank. The General Meeting of Shareholders shall be entitled to adopt decision not to pay dividends on shares of certain types, also on payment of dividends in incomplete amount on preference shares, the dividend amount on which is established in the Charter of the bank. The decision on payment of dividends shall indicate the starting and ending dates of such dividend payment.

20. The decision on payment of dividends shall determine:

- the amount of dividends on shares of each type;

- the form of dividend payment;

- the procedure for dividend payments;

- the date of determination of persons entitled to receive dividends.

21. The decision to pay dividends by type of outstanding shares shall be adopted by the General Meeting of Shareholders as a separate item on the agenda of the General Meeting of Shareholders.

22. The decision to pay dividends on outstanding shares shall be adopted by the annual General Meeting of Shareholders according to the results of the accounting year. The Bank announces the amount of dividends without taking into account taxes on them. The Bank publishes data on the amount of dividends to be paid on the Single portal of corporate information (www.openinfo.uz) and on the web-site of the bank (www.anorbank.uz).

V. PERSONS ENTITLED TO RECEIVE DIVIDENDS

23. Persons recorded in the register of shareholders of the bank, which was formed for holding the general meeting of shareholders in the process of which the decision on paying dividends to shareholders was adopted, shall be entitled to receive dividends on shares.

24. The right to participate in general meeting of shareholders shall be granted to shareholders recorded in the register of shareholders of the bank made up three working days prior to the date of general meeting of shareholders.

25. A shareholder shall be obliged to timely inform the investment mediator, which provides services on registration of rights to her/his shares, about changes in her/his data. If the shareholder fails to provide information on changes in his/her data, the investment mediator providing services for registration of rights to his/her shares shall not be liable for losses caused to the shareholder in connection therewith.

VI. THE PROCEDURE AND TERMS OF DIVIDEND PAYMENTS

27. The Bank shall be obliged to pay the declared dividends in the amount and within the terms established by the resolution of the General Meeting of Shareholders of the Bank and the Charter of the Bank. The term for the dividend payment shall not be later than 60 days from the date of adoption of the resolution on the dividend payment.

28. In the process of dividend payment, the dividends on preference shares shall be paid as the first priority, followed by the dividends on ordinary shares. In case of availability of profits

sufficient to pay the fixed dividends on preference shares, the bank shall not have the right to refuse the owners of the above-mentioned shares in payment of dividends. In case of refusal of the bank, shareholders may demand the payment of dividends in a judicial procedure. Payment of dividends on preference shares by the bank in case of insufficiency of profit or unprofitability of the bank shall be possible only at the expense of and within the reserve fund of the bank established for this purpose.

28. The bank shall have the right to fulfill the obligation on the dividend payment on any date during the period of dividend payment.

29. The Bank shall not provide any preferential conditions to separate shareholders on terms of payment of declared and accrued dividends.

30. The amount of accrued dividends, to be paid to each shareholder, shall be determined separately for each category of shares by multiplying the dividend per one share to the number of shares owned by such shareholder.

31. Dividends shall be paid in monetary form. The payment of dividends shall be made by the bank in non-cash order.

32. The payment of dividends in monetary form to physical bodies, whose rights for the shares are accounted in the shareholder register of the bank, shall be performed by transferring funds to their bank accounts, the details of which are provided to the registrar, the investment mediator of the bank.

33. Upon receiving a written request of a shareholder who is not a resident of the Republic of Uzbekistan, the bank shall be obliged to convert the accrued dividends into freely convertible currency, with transfer of funds to the bank account submitted by such shareholder. The grounds for conversion shall be an extract from the register of the bank's shareholders certified by the bank and a reference from the accounting department of the bank about the amount of accrued dividends and the date of their accrual.

34. If the announced dividends are not paid to holders of shares (unclaimed dividends) for the reasons which do not depend on the bank, the bank shall pay such dividends in accordance with the procedure established by the legislation of the Republic of Uzbekistan. Interest on unclaimed dividends shall not be accrued.

35. An individual who has not received the announced dividends since the bank, registrar, investment mediator rendering the services on recording his/her rights to his/her shares does not have the exact and required address data or bank details to transfer dividends, or in connection with other delay, is entitled to request payment of such dividends (unclaimed dividends) within three years from the date of decision on their payment. Following the expiry of such period, declared and unclaimed dividends shall be restored to the retained earnings of the bank by the resolution of the General Meeting of Shareholders, and the obligation on their payment shall be terminated. According to the current legislation of the Republic of Uzbekistan, the bank shall not be liable for damages caused in connection with non-payment of dividends to those shareholders who have not timely provided their bank/postal details or information on changes thereof to the place of registration of shares - to the depositary or registrar of the bank.

36. In case there are circumstances stipulated by the legislation of the Republic of Uzbekistan, when the bank is not entitled to pay declared dividends on shares, the bank shall be obliged to stop the payment of dividends. Suspension of dividend payment in the above-mentioned cases shall not deprive shareholders of the right to receive announced dividends after termination of circumstances which have hindered their payment. When the mentioned circumstances are terminated, the bank shall be obliged to pay declared dividends to shareholders.

37. In cases established by the legislation of the Republic of Uzbekistan on taxes and fees, the bank shall execute the functions of a tax agent and fulfill the calculation, withholding and transfer the amount of tax with regard to dividends to the budget in compliance with the Tax Code of the Republic of Uzbekistan. Dividends shall be transferred to shareholders after withholding the sums of taxes.

38. Responsibility for complete and timely payment of declared dividends shall be entrusted to executive bodies of the bank.

39. The obligation of the bank to pay dividends shall be considered as performed starting from the date of receipt of funds by the credit organization where this person, who has the right to receive dividends, has a bank account.

40. In case of non-fulfillment of its obligations the bank shall bear responsibility in compliance with the current legislation of the Republic of Uzbekistan, and shareholders shall be entitled to demand fulfillment of respective obligations through judicial procedure.

VII. RESTRICTIONS ON THE PAYMENT OF DIVIDENDS

41. In the process of decision-making (announcement) on payment of dividends and during the process of payment of dividends, the bank shall follow the restrictions established by the current legislation of the Republic of Uzbekistan.

42. The bank shall not be entitled to pay and make decisions on payment of dividends on shares in the following cases:

- before the full payment of the entire authorized fund (authorized capital) of the bank at the time of its establishment;
- if there are any signs of bankruptcy at the moment of dividend payment or such signs will appear in the bank as a result of dividend payment;
- if the net asset value of the bank is less than the amount of its authorized fund (authorized capital) and reserve fund.

43. The bank shall not be entitled to carry out distribution of profits by way of dividend payment to shareholders in cases of:

- non-compliance with prudential norms established by the Central Bank of the Republic of Uzbekistan (hereinafter referred to as the Central Bank) or their violation as a result of such distribution;
- insolvency (bankruptcy) or signs of insolvency (bankruptcy) as a result of such distribution;
- failure or inability to eliminate the deficiencies indicated in the instruction of the Central Bank, mandatory for execution, including with regard to information disclosure;
- any requirements of the Central Bank to the Bank on non-distribution of profits.

44. The bank shall request approval of the Central Bank on distribution of profits in cases when:

- the total amount of payments indicated in the first paragraph of part one of this Article exceeds ten percent of the equity capital of the bank;
- any losses incurred during the current or previous quarter and/or fiscal year.

45. Following the termination of circumstances mentioned in this chapter, the bank shall be obliged to pay the accrued dividends to shareholders.

VIII. INFORMING THE SHAREHOLDERS ABOUT THE DIVIDEND POLICY

46. The Bank shall inform the shareholders about its dividend policy according to the procedure established by the legislation, and also on the website of the bank in the Internet at the address: www.anorbank.uz

This Policy and all amendments and supplements to it shall be included in the information to be published on the website of the Bank.

IX. FINAL PROVISIONS

47. The present Policy along with all amendments and supplements thereto shall be approved by the resolution of the Supervisory Board of the Bank.

48. In all other cases other than prescribed by this Policy the bank shall apply the acts of the current legislation.

49. If the provisions of this Policy contradict the current legislation of the Republic of Uzbekistan or the Charter of the bank, the current legislation of the Republic of Uzbekistan, other normative legal acts and the Charter of the bank shall be applied respectively until relevant amendments are included into this Policy.

In this case, the competent body of the bank shall be responsible for revision and adjustment of this Policy in compliance with the current legislation of the Republic of Uzbekistan and/or the Charter of the bank in the manner specified in clause 44 of the present Policy.