

“APPROVED”

**General Shareholders Meeting
JSCB "Kapitalbank"
July 30, 2016
(Minutes No. 3/2016)
Chairman of the Meeting**

_____ **F.Kh. Otakhonov**

CORPORATE GOVERNANCE CODE

JSCB "KAPITALBANK"

Tashkent 2016

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The present Corporate Governance Code of JSCB "Kapitalbank" (hereinafter – the Code) has been developed in accordance with the Laws of the Republic of Uzbekistan "On Banks and Banking Activities", "On Joint Stock Companies and Protection of Shareholder Rights" (new edition), Decree of the President of the Republic of Uzbekistan dated April 24, 2015 No. UP-4720 "On measures for the introduction of modern Corporate Governance practices in joint-stock companies", the Regulation "On Corporate Governance in Commercial Banks", approved by the Central Bank of the Republic of Uzbekistan on June 24, 2000 No. 472, registered at the Ministry of Justice of the Republic of Uzbekistan on June 5, 2000 No. 943, Corporate Governance Code (in extracts), approved by the Minutes of the Commission on increasing the efficiency of joint-stock companies and improving the Corporate Governance System dated December 31, 2015 No. 9, as well as the Charter of JSCB "Kapitalbank".

CHAPTER 1. GENERAL PROVISIONS

1. The Code defines the basis of organization of the Corporate Governance at JSCB "Kapitalbank" (hereinafter – “the Bank”), demonstrating its commitment to honest and transparent business conduct, the use of ethical standards of doing business, respecting the sense of responsibility towards shareholders and the personnel of the Bank.

2. For the purposes of the present Code, Corporate Governance is understood as a system of relationships between Bank shareholders, members of the Bank’s Council and the Executive Board, representatives of the personnel and other senior officials in management of the Bank’s activities to achieve a balance of interests of these individuals in order to ensure the effective operation of the Bank and involve the potential foreign investors to its Charter Capital.

3. The Bank is created in the form of the Joint Stock Company. The main objective of the Bank is the implementation of the activities aimed at increasing the corporate income and the benefits of shareholders within the limits permitted by Law.

CHAPTER 2. THE BANK MANAGEMENT

4. The Bank Management consists of the General Shareholders Meeting, the Council of the Bank and Executive Board. The Council of the Bank and Executive Board manage the Bank activity within the authorities provided by the Bank Charter, the present Code, decisions of the General Shareholders Meeting, the current legislation of the Republic of Uzbekistan and the Bank’s local acts.

The General Shareholders Meeting

5. The General Shareholders Meeting is the Supreme Management Body of the Bank.

6. The shareholders of the Bank have the right to:

- a) be enlisted in the Bank shareholders register;
- b) obtain an extract from the depo account in the depository regarding themselves;
- c) obtain the part of the profit of the Bank as the dividends;
- d) obtain the part of the property in case of the liquidation of the Bank in accordance with the share belonging to them;

- e) take part in Bank Management through voting at the General Shareholders Meetings;
- f) obtain the full and reliable information on the financial results of the Bank according to established order;
- g) free use of the received dividends;
- h) protection of their rights at the Authorized State Body on regulation of the securities market as well as at Court;
- i) demand compensation of damages according to established order;
- j) integration into associations and other nongovernmental noncommercial organizations in the purpose of representation and protection of their own interests;
- k) insurance of risks related to possible losses, including lost profit upon acquisition of securities.

7. The shareholders can also have other rights in accordance with the Law and the Bank Charter.

8. The Bank is obliged to hold annual General Shareholders Meeting. The General Shareholders Meeting is hold no later than six months after the end of the fiscal year.

9. The shareholders, fixed in the Bank shareholders register, have the right to take part in the General Shareholders Meeting, formed three working days before the event.

10. The notice of the General Shareholders Meeting is published on a single corporate information portal "Openinfo.uz", official website of the Bank, in mass media and sent to shareholders by e-mail not later than seven days, but not earlier than thirty days before the date of the General Shareholders Meeting.

11. The General Shareholders Meeting of the Bank elects the Revision Commission for a period of one year in order to monitor the financial and economic activities of the Bank in accordance with the Charter and other local acts of the Bank. The number of the members and functions of the Revision Commission are set by the Charter and local acts of the Bank.

12. Minority Shareholders Committee is created in the Bank to protection the rights and legal interests of the minority shareholders. The number of the members and functions of the Minority Shareholders Committee are set by the Charter, Provision on the Minority Shareholders Committee and other local acts of the Bank.

13. The General Shareholders Meeting approves the local acts for managing the Bank in an established order.

14. The General Shareholders Meeting shall carry out other duties and have other rights in accordance with the current legislation and local acts of the Bank.

The Council of the Bank

15. The Council of the Bank exercises general management of the Bank's activities, except for resolution of issues referred to the competence of the General Shareholders Meeting by legislation and the Charter of the Bank.
16. The Bank's Council members are elected by the General Shareholders Meeting of the Bank.
17. The Bank's Council is elected of 5 members.
18. Individuals elected in the Bank's Council shall be reelected unlimitedly.
19. The members of the Bank's Council and the Chairman of the Executive Board as well as the individuals working under an employment contract at the Bank shall not be elected into the Bank's Council.
20. The banking sector scientists and experts may become the members of the Bank's Council except the shareholders.
21. Decisions at the meeting of the Bank's Council are taken by a majority of votes present with the exception of cases stipulated by the current legislation.
22. To carry out its duties the Bank's Council shall:
 - a) have and maintain the necessary level of qualification as well as demonstrate competence both in the collective and in the individual terms;
 - b) comply with the Corporate Governance principles in implementation of its own activities;
 - c) draw upon the competent, safe and independent systems of internal control and risks management, the operation of which shall be effectively controlled by it;
 - d) monitor Bank transactions for provision of an adequate control and compliance with the Bank policies and the legislation of the Republic of Uzbekistan.
23. The Bank's Council duties are:
 - a) exercise of its authorities for the benefit of the Bank shareholders;
 - b) provision of competent management of the Bank;
 - c) approval of the long-term and short-term business-plans of the Bank consulting with the Executive Board;
 - d) implementation of the current control over the operative activities of the Bank, correctness of crediting and investing of funds (in order to protect the interests of depositors, creditors and shareholders);
 - e) maintenance of adequate capitalization of the Bank;
 - f) formation of the Bank's business strategy;
 - g) monitoring of the Bank's profitability;
 - h) organization of functioning of internal audit service;
 - i) adoption of the adequate operation policies for implementation of the legal, save and wise banking activity, as well as for achievement of the Bank goals;
 - j) hearing of quarterly financial reports of the Bank;
 - k) supervision of the Bank transactions for providing an adequate control and compliance with the Bank policies and the legislation of the Republic of Uzbekistan;

l) presentation of the Report on compliance with the requirements for Corporate Governance at the annual General Shareholders Meeting.

24. The Council of the Bank is convened at least once a month.

25. The Council of the Bank sets up the following Committees in order to organize and maintain the appropriate control system, which function on the basis of the appropriate provisions:

a) **Audit Committee** consisting solely of the members of the Bank's Council.

The main goals of the Audit Committee are:

study of reports of the Bank Audit Service presented upon each internal audit;
study of quarterly reports on internal audit and presentation of them to the Bank's Council;
assistance to the Bank's Council in development of the technical assignments for external auditors;
assistance to the Bank's Council in evaluation of the external auditor proposals, preparation of the recommendations to the Bank's Council on external auditor selection;
coordination of the work on management of the implementation process of the recommendations of the Internal Audit Service and external auditors with the Chairman of the Bank's Council;
review of the external auditors' reports including the letter addressed to the management and presentation of them to the Bank's Council;
control over the avoiding problems and shortcomings revealed within an auditing process by external and internal audit, as well as implementation of recommendations of auditors by the Bank's Council;
ensuring independence and preventing interference by members of the Executive Board and other heads of the Bank's divisions in the work of the audit service, as well as in the content and scope of inspections.

b) **Committee on Supervision of Banking Risks**, consisting of the members of the Bank Management and experts, which may be involved both of the Bank staff and independent individuals in accordance with the contract for consulting services.

the competence of the Committee includes consideration of the following issues:

review and coordination of the Bank policy on risks management;
consideration and coordination of provisions on the Credit and Financial Committees, as well as management of concrete types of risks;
review of the internal credit analyses procedures for inspection of reliability of ranking process (rating evaluation), which provide for independence of the functions of such analyses from the credit issue functions;
carrying out constant monitoring of the Bank risks management system functioning (credit risk, interest risk, liquidity risk, currency risk, operational risk), reliability and accuracy of the financial and administrative information introduced to the Bank Management and external users;
review and coordination of the stress-testing procedures, values for stress-tests, plan for contingency cases, as well as the analyses of the crisis scenario and initiation of the corrective measures, if necessary;

analyses of conclusions of external auditors on improvement of the internal control and risks management before approval by the Bank's Council and monitoring of implementation of the action plan on elimination of deficiencies in activities;
review of other issues.

c) **Committee for Assessment the Personnel Development and Quality**, consisting of the members of the Bank's Council and the Bank employees.

the Committee sets the following goals:

implementation of the main regulations in the sphere of management and development of the Bank employees;
ensuring the established procedure for recruitment (hiring) for work, making decisions on promotion (shift) employees of the Bank within the competence of the Committee;
monitoring and optimization of the number of employees of the Head Office and the structural divisions of the Bank (branches, Operations Department, Central Operations Department) for effective implementation of the set goals;
establishment / deprivation / reduction / suspension of payments of official allowances and other types of payments to employees of the Head Office and structural divisions of the Bank (branches, Operations Department, Central Operations Department) within the competence of the Committee;
control over the executive and labor discipline of the employees of the Bank and its structural divisions;
organization of mentoring for employees;
review of the issues on work with employees needed a collegial decision.

d) **Investment Committee** consisting of the members of the Bank's Council and employees.

The Committee sets the following goals:

monitoring the achievement of objectives of the Bank investment policy and obtaining maximum profitability while limiting the level of possible risk of investment losses;
development of the new types of investment product and arrangements on maximum obtaining profit from investment services to the customers at the minimum risks and other issues.

e) **Credit Committee** consisting of the members of the Bank's Council and employees.

The Committee sets the following goals:

implementation and enforcement of provisions of the Bank Credit Policy in terms of granting new loans or changing the terms of existing loans;
review and approval of the new types of credit product or changing of the existing ones, as well as the measures to maximize profits from providing customers with minimal risks.

f) **Asset and Liability Management Committee** consisting of the members of the Bank's Council and employees.

The Committee set the following goals:

assistance to the Bank's Council in implementation of its regulatory and control functions in terms of close observation of the Bank Balance Sheets and Income Statements for support of the sufficient liquidity of the Bank;
observation of the available proper balance between assets bearing interest income and interest-bearing liabilities.

26. The Bank's Council approves local acts in an established order to manage the Bank.

27. The Bank's Council may have other liabilities and have other rights in accordance with the current legislation and local acts of the Bank.

The Executive Board

28. The Executive Board is a collegial executive body and manage the current activities of the Bank.

29. The Executive Board is not authorized to settle the issues referred to the competence of the General Shareholders Meeting and the Bank's Council by the legislation and the Bank Charter.

30. The Executive Board subordinates to the Bank's Council and the General Shareholders Meeting.

31. The number of the members of the Executive Board is set by the Bank Charter. The Executive Board consist of the Chairman, the Deputy Chairman, Chief Accountant and Director of the Legal Service Department. Also, the supervisors of other divisions of the Bank may be included in the Executive Board. Ability, integrity, experience and good reputation are the most important qualities for members and candidates for members of the Executive Board.

32. The members of the Executive Board are the trusted persons of the Bank's Council and Bank shareholders and, thus, shall place the interests of the Bank and the shareholders above the own ones.

33. Appointment of the members of the Executive Board (extension) is made by the Bank's Council and may be recruited on the basis of competitive selection, in which the foreign managers may take part.

34. The Executive Board approve local acts in an established order to manage the Bank.

35. The Executive Board may have other liabilities and have other rights in accordance with the legislation and local acts of the Bank.

Chairman of the Executive Board

36. The Executive Board are headed by the Chairman, who is authorized to settle the issues referred to the competence of the General Shareholders Meeting, the Bank's Council and the Executive Board by the legislation and the Bank Charter.

37. The Chairman of the Executive Board is appointed (extension) by the decision of the Bank's Council by agreement of the Central Bank of the Republic of Uzbekistan with further introduction of the issue for approval to the General Shareholders Meeting. Wherein the decision on appointment of the Chairman of the Executive Board is taken on the basis of competitive selection as a rule, in which foreign managers may take part.

38. The Chairman of the Executive Board shall have a necessary experience, competence and integrity to manage the issues of the Bank and properly supervise the activities of the most important employees of the Bank.

39. The Chairman of the Executive Board without any power of attorney acts on behalf of the Bank including representing its interests, making deals on behalf of the Bank, appointing heads of the structural divisions of the Bank (branches, Operations Department, Central Operations Department), approves the staff, issues orders and gives instructions mandatory for all employees of the Bank.

40. In order to manage the Bank, the Chairman of the Executive Board approves the Bank local acts, which are introduced to the approval by the Chairman of the Executive Board by the head of an appropriate division with agreement of the members of the Executive Board and the Director of the Internal Audit Department.

41. The Chairman of the Executive Board may bear other obligations and have other rights in accordance with the current legislation and the Bank local acts.

CHAPTER 3. ENSURING TRANSPARENCY AND EFFECTIVE INTERNAL CONTROL

42. To ensure transparency of the Bank's activities:

- a) information on the Bank is published on its corporate website and in other sources provided by legislation with the translation in English, Russian and other languages convenient for the shareholders and other concerned parties including foreign investors, if needed;
- b) information on the Executive Board and evaluation of its activity, on the structure of the joint-stock capital of the Bank is published;
- c) the justifications for the anticipated distribution of net profit, size of dividends, evaluation of their compliance of the dividend policy adopted at the Bank are published as needed;
- d) the necessary information on the Bank (except for the confidential information, commercial and banking secrecy), which is necessary for the shareholder and potential investors is provided as needed upon the shareholders' demand;

43. To ensure transparency of the Bank activity, the Council of the Bank approves the Information Policy Provision, which is obligatory to be followed by the Bank Management and control bodies and its employees.

44. For introduction of the effective internal control mechanism:

- a) performance of an annual analysis to ensure compliance with the main areas and objectives of the Bank's activities for the medium and long term periods on the decision of the General Meeting;

- b) establishment of the main objective of the organization of the internal control system of the Bank ensuring the protection of the rights and legitimate interests of Bank shareholders, including minority shareholders;
- c) the assignment of the internal audit service of the Bank with the powers to exercise internal control, including for transactions performed with legal entities more than 50% of the Authorized Capital of which belongs to the Bank;
- d) determination of the procedure for voting of its representatives in the management bodies of enterprises belonging to the Bank;
- e) granting to the person, who participated in the General Shareholders Meeting of the Bank, the opportunity to make a copy of the bulletin that person filled out at his expense;
- f) granting the opportunity to demand the regular reports on the work done and achievement of the business plan indicators to the Bank shareholders;
- g) determination of the procedure of interaction of the internal control bodies with the General Shareholders Meeting, the Bank's Council, Minority Shareholders Committee and the shareholders;

45. For introduction of the effective internal control mechanisms at the Bank, the General Shareholders Meeting approves the Internal Control Provision, which is obligatory to comply with by the Bank employees, members of the management and control bodies.

CHAPTER 4. ENSURING THE IMPLEMENTATION OF RIGHTS AND LEGITIMATE INTERESTS OF SHAREHOLDERS

46. As far as possible to ensure the implementation of the rights and legitimate interests of shareholders seems appropriate to:

- a) create and improve the mechanisms on simplifying communication between the shareholders and the Bank;
- b) create and improve the opportunities for shareholders, who cannot personally take part at the General Shareholders Meeting, opportunity and conditions for voting online (with confirmation by electronic digital signature), as well as through delegating their authorities to the representative or holding of the General Shareholders Meeting in videoconference mode;
- c) provide in local acts of the Bank for giving the shareholders the necessary information on the Agenda, including position of the Bank Management in reference to the Agenda of the General Meeting, before the meeting;
- d) determine (appoint) the employee or the Bank division responsible for the interaction with the shareholders and investors;
- e) grant the rights to the owners of not less than 1% of common shares of the Bank in the Bank Charter, demand the convocation of the session of the Bank's Council and make proposals on the Agenda, allocation of the income, candidate for becoming the members of the management and control bodies with possible replacement before the General Shareholders Meeting;
- f) provide the shareholders an opportunity for conclusion of shareholders' Agreements to form their joint position in voting, including minorities in the Bank local acts;
- g) provide in the Bank local acts for the opportunity to cover the expenses for maintenance of the Minority Shareholders Committee at the expense of the Bank;

- h) provide that the minority shareholder shall not discourage the activity of the Bank management bodies by unreasonable demand for documents and use of confidential information, commercial and banking secrecy, in the Bank Charter;
- i) reflect the “equal rights” principle in the Bank local acts, i.e. equal attitude towards all the shareholders of the Bank regardless of the share they own, profits level, gender, race, religion, nationality, language, social origin, personal and public status;
- j) ensure the participation of the members of the Executive Board, the Bank’s Council and the Revision Commission, as well as the representative of the Audit Organization (if needed), which carries out the revision of the annual financial statements of the Bank at the annual General Shareholders Meeting;
- k) provide for the conditions, in which the member of the Bank’s Council may discharge his duties, the order of business and functions of the Chairman of the Bank Management related to organization and holding of its sessions in the Provision on the Bank’s Council;
- l) implementation of other necessary measures aimed at ensuring the implementation of the rights and legitimate interests of shareholders.

CHAPTER 5. DETERMINATION OF THE DEVELOPMENT STRATEGY AND GOALS FOR THE LONG-TERM PROSPECTIVE

47. To determine the development strategy and goals for the long-term prospective, the Bank Management:

- a) determines maintenance and development of financial sustainability, improvement of the banking and financial activity, increase of profit-making on the territory of the Republic of Uzbekistan and abroad as the strategic goals of the Bank;
- b) develops and approves the long-term development strategy for the period of more than 5 years based on banking sphere and analyses of the competitive environment at the General Shareholders Meeting;
- c) broadly applies the management methods successfully approved by the foreign practices, including SWOT, GAP analyses and other approaches, special software and others;
- d) develops and submits for approval of the General Shareholders Meeting of the Bank’s Council the short-term (annual) and medium (for the period up to 5 years) business-plans based on the long-term strategy approved by the General Shareholders Meeting;
- e) implements the necessary quantitative and qualitative criteria allowing monitoring the achievement of the goals outlined in each of the Bank's development plans.

48. The Council of the Bank coordinates the activity of the Executive Board, Bank internal control bodies, Committees created by the Bank’s Council and, if needed, involves experts for arrangement of elaboration of the Bank development plans and monitoring of achievement the goals stated in them.

CHAPTER 6. IMPLEMENTATION OF EFFECTIVE INTERACTION OF THE BANK EXECUTIVE BODY WITH THE SHAREHOLDERS AND INVESTORS

49. To implement the effective interaction of the Bank executive body with the shareholders and investors, the Bank Management bodies:

- a) ensure interaction between the shareholders, members of the Bank's Council, the Executive Board and control of the Bank on the basis of mutual trust, respect, accountability and control principles;
- b) introduce the requirement on that the officials fulfill their obligations based on the legislation, Charter and the decisions of the Bank Management bodies;
- c) regulate cases and the order of holding sessions of the Bank's Council by poll, as well as in conferencing mode;
- d) refer the issues of authorizing audio-video recording and broadcasting of the General Shareholders Meeting in Internet to the authorities of the Chairman of the General Shareholders Meeting;
- e) raise the qualification of Bank officials through participation in training courses, seminars, etc.;
- f) as far as possible, introduce in the Bank the position of a corporate consultant accountable to the Bank's Council and responsible for exercising control over compliance with the requirements of corporate legislation in the activities of the Bank and also taking into account corporate conflicts;
- g) establish requirements to the form and contents of the report (statement) of the Bank Management and control bodies, shareholders reporting at the General Shareholders Meeting, determine the duration of the meeting;
- h) may limit the right of the members of the executive body representing the shareholders, to vote on the issue of selection of the executive body members.

50. To implement the effective interaction of the Bank executive body with the shareholders and investors, the Bank adopts all necessary internal documents reflecting the above stated provisions in it.

CHAPTER 7. PROFESSIONAL ETHICS AND PREVENTION OF CONFLICTS OF INTEREST

51. An important factor in achieving the strategic goals of the Bank is the activity of the Bank's Council and the Executive Board directed on setting the standards of the Banker's professional ethics, which determine the following aspects of Corporate Governance:

- a) conducting healthy and safe banking practices;
- b) protection of the Bank interests from improper or illegal actions of shareholders, Bank officials and other individuals able to influence the Bank activity;
- c) compliance with the legislation and the Bank local acts;
- d) prevention of the conflict of interests and identification of situations and areas of activity, where conflicts of interest may arise;
- e) establishment of remuneration, remuneration and incentives for employees (including the Bank's Council and the Executive Board) providing for not only financial results of the Bank, but also the conformity with the strategic goals and compliance with professional banking ethics;
- f) compliance with the Bank's Security and reliability requirements, when lending to employees and Bank officials;
- g) the availability of mechanisms to enable employees to express concerns about illegal, unethical or questionable management actions, and to protect against possible negative reaction from management.

52. In order to provide a positive influence on the level of Corporate Governance, the requirements towards the professional ethics of the Bank shall be brought to all employees and implemented at all levels of the organizational structure of the Bank, including the Bank's Council and the Executive Board.

53. The Bank shall develop mechanisms providing compliance with legislation on preventing the conflict of interests and regulation of the transactions with insiders, affiliates and related persons of the Bank. In particular, conclusion of deals with persons related to the Bank, recording these transactions and reporting on them shall be implemented in a strict compliance with the requirements of the Provision on transactions (agreements) concluded with the related persons, approved by resolution of the Central Bank of the Republic of Uzbekistan dated July 22, 2015 No. 19/15, registered at the Ministry of Justice of the Republic of Uzbekistan dated August 5, 2015 No. 2706.

54. In the sphere of personnel policy, the Corporate Governance assumes the availability and compliance of the internal documents concerning:

- a) hiring and terminating employees (including the Bank Management);
- b) staff movements and career growth;
- c) training of employees (including the members of the Bank's Council and the Executive Board);
- d) system of measures for the retention of qualified and competent personnel (including the management);
- e) application of the measures for inadequate performance by Bank employees (including the members of the Bank's Council and the Executive Board) of their duties, violation of the Code of professional banking ethics.

55. Transparency is the necessary condition of the effective Corporate Governance. The Bank Management shall be transparent for the shareholders, investors, other concerned persons and market participants. Transparency in the Bank Management allows the shareholders, investors and other creditors of the Bank to carry out monitoring of the activity of management bodies, support the reputation of the Bank in implementation of the effective Corporate Governance, as well as provides the information necessary for evaluation of the effective work of the Bank's Council and the Executive Board.

56. The Bank shall disclose the information on the basic moments concerning the indicators of resistance to risks (without violating the necessary confidentiality), describing the procedure for determining the indicators and the degree of participation of the Bank Management in this process.

57. The information disclosed shall be accurate and clear, represented in a clear form, so that it could be easily used by the shareholders, investors, other concerned parties and market participants.

58. In order to avoid and settlement of the controversial situations, the Bank develops the Provision for the prevention and settlement of conflicts of interest which includes:

- a) obligations of the Bank officials to act within interest of the Bank;
- b) definition of situations which may cause a conflict of interests while the Bank officials committed actions and transactions, as well as disclose information;
- c) Bank officials' obligations on informing the Bank's Council about conflict of interest;
- d) prohibition of participation of the Bank officials in the management and controlling bodies of other legal entities without a permission of the Bank Management;
- e) suppression of a possible conflict of interest, while the Bank officials commit actions and transactions, as well as disclosure of the information.

59. Provision on preventing and settling conflict of interests is approved by the General Shareholders Meeting and is an obligatory to be complied by the management and controlling bodies of the Bank, as well as by its employees.

CHAPTER 8. DEFINITION OF STANDARDS OF THE BANKS ACTIVITIES AND THE BEHAVIOR OF ITS EMPLOYEES

60. The Bank Mission is to reproduce success and share it with each partner. In this regard, the Bank is aimed at creation of the powerful financial supermarket functioning in the most profitable segments of the most prospective industries of the financial market.

61. The following refer to the corporate values of the Bank:

- a) *Respect for the individual.* Respect for the rights and freedoms of any person, strict observance and protection of these rights and freedoms as key principles of the Bank's day-to-day operations. This is the value that comes first in life. Respect for the individual is a willingness to accept a person as he is. The desire to see the best of his manifestations in man. Respect for the interests of others, the ability to compromise. Creation of equal opportunities for all employees, regardless of their position, social status, gender, age. Attention to someone else's opinion, readiness to listen. Respect for another person's work;
- b) *Customer-oriented approach.* Conscientious, timely and, on the best terms, the implementation of all customer service operations, the pursuit of continuous self-improvement and innovation, the constant search for better tools and opportunities for the most effective work of the Bank. The Bank develops partnership in all spheres of activity, based on morality, trust and respect principles;
- c) *Team-working.* Building relationships with colleagues purely on the basis of mutual understanding, trust, mutual assistance and solidarity, the constant exchange of professional knowledge and practical experience. Commitment of the whole Bank staff to the common cause in an effort to solve the set strategic tasks and fulfill the Mission of the Bank;
- d) *Honesty and Integrity.* Understanding that there must be no dishonest and corrupt people in the Bank, that any dishonest action can lead to immense losses. Faith in the right principles. Integrity and self-esteem, understanding that an attempt to "bribe" is a manifestation of disrespect for a person. Active opposition to damage to the interests of the Bank. Open designation of opinion, honest discussion with the team of all the complexities and pitfalls;
- e) *Striving for the precedence.* The desire to be one step ahead of competitors, to be the best, to keep leadership positions, always be number one. Strong confidence in success, understanding that the result is an evaluation of the activity. Willingness to make extra efforts, spend one's personal time. The ability to show consistently high results, the desire to be the best professional in one's field.

62. In relations with the Customers, the Bank is obliged to observe the following:

- a) to build relations with the customers on the basis of mutual confidence through conclusion of the agreements;
- b) to use a single, generally accepted terminology and build its relationships on the basis of decency and business partnership;
- c) to ensure the conformity of the banking services and products with the current legislation of the Republic of Uzbekistan and technical requirements;
- d) to provide necessary full information on the services provided and banking products, to offer assistance in resolution of issues troublesome for the customers;
- e) to consider the customers appeal in a timely and comprehensive manner;
- f) to take measures to prevent employees of the Bank from performing actions contrary to this Code.

63. The Bank is interested in establishing long-term partnership relations with its customers and attraction of the new customers shall be based on a principle: “The Customer chooses the Bank”.

64. Attention to the individuality of each customer is the basis of the Bank's customer policy. The bank allows a group of VIP-clients, with the firm condition that the service of all other customers should not be deteriorated.

65. The Bank employees shall put the interests of the customers above the own interests concerning the Bank activity and avoid any actions and deeds, which may negatively affect the interests of the Bank customers.

66. In conflict situations it is necessary to be attentive to the interests of the customer and try to harmonize them with the interests of the Bank as well as possible.

67. Relations with the business partners are built on the basis of mutual respect, recognition of value of partnership for each participant of these relations and recognition of equality of parties in the business cooperation.

68. In partnership, the Bank is guided by the principle of unconditional fulfillment of obligations.

69. The Bank does not enter the business relations with organizations and counteragents with a doubtful reputation, not adhering to the generally accepted standards and rules of the market behavior, as well as improperly observing the requirements of the legislation on combating the legalization of proceeds from crime and financing the terrorism.

70. The Bank shall provide full confidential information obtained in the course of the partnership including with those partners, with which there are no official contract relations. All the information obtained in the course of partnership is not subject to disclose without a preliminary concern of the partner for it.

71. Relations with the competitors of the Bank shall be built on the principles of honesty, mutual respect and rejection of any techniques and methods of questionable nature. In case of

emergence of disagreements and disputes in the competition, priority is given to negotiations and the search for a compromise, if it is impossible to achieve it - to judicial proceedings.

72. The Bank builds the relations with its employees on the principles of the long-term cooperation and strict fulfillment of the mutual obligations.

73. The Bank does not admit any discrimination towards the employees in the issues of remuneration and promotion.

74. The interests of the Bank shall not damage personal interests of the employees.

75. The Bank takes all necessary actions aimed at:

- a) health and safety of employees;
- b) providing necessary legal and administrative support of the Bank employees;
- c) increase of the personal interest of employees in the prosperous state of affairs in the Bank, stimulation of their creativity and initiative;
- d) respect for rights of the Bank employees to take part in public activity.

76. The Bank creates all necessary conditions for professional growth of its employees and every possible increase in their social well-being.

77. For their part, the employees of the Bank do not admit situations, which may incur damage to the business reputation and other both financial and incorporeal interest of the Bank.

78. The Bank employees maintain and keep all the records containing official information, including electronic, in full compliance with the existing requirements of appropriate local acts of the Bank, as well as shall not allow the use of this information in personal interests or interests of their affined persons.

79. The Bank employees use the office equipment, means of communication, information and network resources of the Bank only for production purposes.

80. The Bank employees in behavior issues are obliged:

- a) to strive to create an atmosphere of trust, honesty, integrity and friendliness in the team;
- b) to keep subordination, promptly follow the instructions of their immediate supervisor, concerning the work;
- c) not to clarify contentious issues publicly;
- d) show sincere interest in opinion and work of each other, openness and lack of arrogance;
- e) to constantly strive to maintain their professional competence;
- f) not to make verbal or written statements and guarantees that misrepresent information and may call into question the professionalism of employees or damage the image of the Bank;
- g) to respect the opinion of others, shall not to humiliate human dignity of the colleagues;
- h) to inform the supervisor in case of sickness or inability to work;
- i) to be mutually polite: to treat each other with "You", respectful attitude towards the older ones (first to say hello, to give way, not to interrupt, etc.), not to use nicknames, obscene words, rudeness and familiarity, loud laughter, shouting are;

- j) it is recommended to adjust the mobile phones to a low sound level at a work place;
- k) restrict the use of the business phone for personal purposes;
- l) shall not receive benefits in connection with the performance of their duties in any condition;
- m) the supervisor shall be an example of objectivity, tact and consistency for the subordinates;

81. Requirements for the appearance of the Bank employees during working hours are determined by the Executive Board.

CHAPTER 9. PUBLICATION OF THE INFORMATION BASED ON THE INTERNATIONAL AUDIT AND ACCOUNTING STANDARDS

82. To implement the requirements of the legislation, the Bank shall publish its reports in accordance with the International Audit and Accounting Standards, which shall be in an open access for any user.

83. Information on the basis of the International Audit and Accounting Standards shall be published within the terms established by Law.

CHAPTER 10. THE PROCEDURE FOR MAINTAINING THE CORPORATE WEBSITE OF THE BANK

84. The Bank's corporate website in the informational-telecommunication network "Internet" is the main source of disclosure of the Bank information. The Bank's website contains information sufficient to form an objective view of the significant aspects of the Bank's activities.

85. Corporate website of the Bank shall comply with the basic requirement for an official website of state and economic management bodies, state authorities in the field approved by the resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated December 31, 2013 No. 355, as well as meet the requirements on keeping and maintaining the corporate website in accordance with the Provision on the requirements to corporate websites of the joint-stock companies approved by the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated July 2, 2014 No. 176

86. Information on the Bank's corporate website is provided in the state language. The Bank's corporate website may have its versions in other languages. Information placed on the Bank's corporate website shall be reliable and objectively cover the Bank's activity

87. The Bank shall take appropriate measures to protect the prevention of destruction, blocking, distortion and forgery of information placed on the Bank's corporate website, as well as other forms of unauthorized interference.

88. The Bank's corporate website shall publish the information on acceptance of the obligation to follow recommendations of the present Code and its compliance.

89. Information disseminated on the Bank activity is divided into three groups: compulsory disclosure information, additional information; open information.

90. Procedure of disclosure of the above stated information about the Bank is established by the current legislation of the Republic of Uzbekistan, Provision on Information Policy of the JSCB "Kapitalbank" and other local acts of the Bank.

CHAPTER 11. MONITORING THE IMPLEMENTATION OF THE CODE PROVISIONS

91. To monitor the implementation of the provisions of the Code, the Bank carries out evaluation of the Corporate Management System in the Bank, for implementation of which it is recommended to involve independent organizations, including the audit organizations, which have a specialist with an appropriate Certificate of Corporate Manager or Securities Market Expert, accredited rating agencies, Scientific-Educational Center of Corporate Governance, Center for the study of privatization, competition development and corporate governance problems.

92. The selection of an independent organization for the assessment of the Corporate Governance System is carried out by a decision of the Bank's Council. An independent evaluation of the Corporate Governance System of the Bank is carried out on the basis of the appropriate agreement with the organization not related to the Bank in property relations.

93. To the extent possible, an independent evaluation of the Corporate Governance System in the Bank is carried out at least once a year.

94. Results of the independent evaluation of the Corporate Governance Systems are published on the Bank's website together with the conclusion of the organization carried out such an evaluation.

CHAPTER 12. FINAL PROVISIONS

95. The Bank's Council carries out control over the implementation of the provisions of the present Code.

96. The present Code, as well as changes and amendments to it, is approved by the General Shareholders Meeting of the Bank.

97. In case of entry of the provisions of this Code in contradiction with the current legislation of the Republic of Uzbekistan, it shall be guided by the relevant current legislation of the Republic of Uzbekistan, other regulatory and legal acts and the Charter of the Bank until the changes are made in the present Code.

98. Since the present Code enters into force, the previously adopted Corporate Code of JSCB "Kapitalbank" in edition dated November 2, 2015 is no longer valid.

Introduced:

Director of the Legal Service Department

(signed)

M.D. Samandarov

Agreed:

Chairman of the Executive Board	(signed)	K.A. Olimov
Deputy Chairman of the Executive Board	(signed)	B.T. Yuldashev
Deputy Chairman of the Executive Board	(signed)	Sh.K. Karimbaev
Deputy Chairman of the Executive Board	(signed)	K.A. Voistinov
Chief Accountant	(signed)	E.E. Skuybida
Director of the Risk-Management Department	(signed)	M.D.Nurutdinova
Director of the Internal Audit Department	(signed)	D.N. Allaerova