

*Appendix No. 6  
to the decision of the sole shareholder  
of JSCB “ASIA ALLIANCE BANK”*

APPROVED  
by the decision of the sole shareholder  
of JSCB “ASIA ALLIANCE BANK”  
No. AC-1/2020 as of February 27, 2020

**DIVIDEND POLICY  
OF JOINT-STOCK COMMERCIAL BANK  
“ASIA ALLIANCE BANK”**

## **I. GENERAL PROVISIONS**

1. The present Dividend Policy (hereinafter referred to as “Dividend 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 Stockholders’ Rights”, “On Securities Market”, “On Banks and Banking Activities”, Regulations “On Corporate Governance in Commercial Banks” (registration of the Ministry of Justice No.943 dated 05.07.2000) “On Requirements for Capital Adequacy of Commercial Banks” (registration of the Ministry of Justice No.2693 dated 06.07.2015), the Charter of the Bank and other current normative legal acts of the Republic of Uzbekistan.

2. The main objective of this Dividend Policy is to establish a transparent and understandable mechanism for shareholders to make decisions on the payment of dividends, determine the amount, procedure and terms of their payment.

3. Dividend Policy is based on the balance of interests of the Bank and its shareholders when determining the amount of dividend payments, increasing investment attractiveness, financial stability, capitalization and liquidity of the Bank, as well as respect and strict observance of the rights of shareholders and increasing their welfare.

4. Dividend is a part of the Bank's net profit distributed among shareholders.

5. Dividend is distributed among shareholders in proportion to the number and the type of shares they hold.

6. Amount of dividends depends on the results of the Bank's economic activity over the past period.

7. Decision-making (announcement) on the payment of dividends on placed ordinary shares is the right, but not the obligation of the Bank. The Bank is obliged to pay the announced dividends for each type of shares.

8. By decision of the General Meeting of Shareholders of the Bank, dividend may be paid in cash or other legal means of payment, or in securities of the Bank.

9. Payment of dividends in securities on preferred shares is not allowed.

## **II. DETERMINING THE AMOUNT OF DIVIDEND AND DECISION-MAKING ON ITS PAYMENT (ANNOUNCEMENT)**

10. Based on the results of the first quarter, six months, nine months of the financial year and (or) based on the results of the financial year, the Bank is entitled to make decision on the payment of dividends on placed shares.

11. Decision on the payment of dividends, the amount of dividend, the form and procedure for its payment on shares of each type is taken by the General Meeting of Shareholders on the basis of the recommendation of the Supervisory Board of the Bank, the data of the financial statements in case of availability of auditor's report on their reliability. The General Meeting of Shareholders is entitled to decide on non-payment of dividends on shares of certain types, as well as on payment of dividends in incomplete amount on preferred shares, the amount of dividends for which is determined by the Charter of the Bank.

12. Decision on payment of dividends must indicate the dates of start and end of the dividend payment.

13. Decision of the Bank on payment of dividends based on the results of the first quarter, six months and nine months of the financial year may be made within three months after the end of the corresponding period.

14. Amount of dividends may not exceed that recommended by the Supervisory Board of the Bank.

15. In case of necessity, in accordance with law, to coordinate amount of dividends paid with the Central Bank of the Republic of Uzbekistan, the Ministry of Finance of the Republic of Uzbekistan and / or the State Assets Management Agency of the Republic of Uzbekistan, the amount of dividends must be less than the recommended level.

16. Amount of dividend per one ordinary registered share is determined on the basis of the funds allocated for dividend payments on ordinary shares, divided by the number of prescribed shares placed and existing in circulation with persons entitled to receive dividends.

17. Amount of the annual dividend per one preferred registered share is determined by the Charter of the Bank and makes up 45 percent of the nominal value of a share or 112,5 sum.

18. Amount of accrued dividends to one shareholder is determined by multiplying the dividend per share by the number of shares owned by this shareholder according to the register of shareholders formed for holding the general meeting of shareholders, at which a decision on announcing dividends will be made.

### **III. PROCEDURE FOR DIVIDEND PAYMENT**

19. Dividends are paid out of the net profit remaining at the disposal of the Bank, and (or) retained earnings of previous years.

20. Dividends on preferred shares may also be paid out of the reserve fund formed by deductions from the net profit of the Bank.

21. Payment of dividends to shareholders of the Bank based on the results of the financial year, first, second and third quarters must be made after confirmation of profit by an external audit and deductions to increase capital.

Dividends may be paid only after the formation of an appropriate reserve to cover possible losses and the implementation of adjustments, in accordance with the requirements of the Central Bank of the Republic of Uzbekistan.

22. When paying dividends, it is necessary to proceed from the actually available profit, adjusted by the amount of accrued but not received interest income.

23. Shareholders who are registered in the register of shareholders of the Bank, formed for holding the general meeting of shareholders, at which a decision was made to announce dividends, are entitled to receive dividend.

24. When purchasing shares of the Bank in violation of the requirements prescribed by parts one and four of Article 22 of the Law of the Republic of Uzbekistan “On Banks and Banking Activities”, from the date of the conclusion of such transaction, the owner of the shares is not entitled to receive part of the profit of the Bank in the form of dividends.

25. If the Bank issues preferred shares, dividends on such shares, are paid firstly, then dividends are paid on ordinary shares. If there is sufficient profit for the payment of fixed dividends on preferred shares, the Bank is not be entitled to refuse to pay dividends to owners of these shares.

26. Dividend that has not been claimed by the owner or his legal successor or heir within three years, by decision of the General Meeting of Shareholders, remains at disposal of the Bank.

27. Term and procedure for payment of dividends are determined by the Charter of the Bank and decision of the General Meeting of Shareholders. The deadline for the payment of dividends must not be later than 60 days from the date of such decision.

28. The Bank is obliged, upon the written request of the non-resident shareholder of the Republic of Uzbekistan, to convert the dividends accrued to it into freely convertible currency, with the transfer of funds to the bank account provided by the non-resident shareholder.

29. Announced dividends on shares of any kind are reflected on the balance account “29822 - Dividends payable”.

30. Dividends are paid:

- to legal entities by bank transfer;

- to individuals by bank transfer to their bank accounts or in cash through cash desks of the Bank.

31. By written order of shareholder, dividends belonging to the shareholder may be directed in accordance with the prescribed procedure for the acquisition of shares of the Bank.

32. In case of non-payment (non-receipt) through the fault of the Bank of dividends within terms established by the General Meeting of Shareholders, a penalty is charged on unpaid (unreceived) dividends based on the refinancing rate

established by the Central Bank of the Republic of Uzbekistan. Amount of penalty charged on unpaid (unreceived) dividends must not exceed 50 percent of the amount of unpaid (unreceived) dividends. Penalty for the period of delay in dividend payment is calculated from the day following the day of expiry of the dividend payment period.

33. Shareholder is entitled to demand payment of dividends and interest accrued by the Bank in court. In case of non-payment of dividends by the Bank when court satisfies the shareholder's claims against the Bank, the procedure for eliminating insolvency or declaring bankrupt is applied in the manner prescribed by law.

34. The Bank is not responsible for losses of shareholders related to non-payment or late payment of dividends due to the absence, incorrect or incomplete data on the recipient of dividends. Shareholders must promptly inform the servicing Investment Intermediary of shareholder of the Bank on changes in their data, including payment details and addresses for sending mail messages and other notification messages.

35. Repeated transfer of dividends to shareholder based on the corrected data is made at the written request of the shareholder and at his expense.

#### **IV. RESTRICTIONS ON PAYMENT OF DIVIDENDS**

36. The Bank is not entitled to make decisions on the payment of dividends in the following cases:

- if at the time of payment of dividends there are signs of insolvency (bankruptcy) or these signs appear at the Bank as a result of the payment of dividends, as well as if the consequence of the payment may lead to significant deterioration in the financial and economic condition of the Bank;

- if the value of net assets of the Bank is less than the amount of its authorized and reserve capital;

- non-compliance of prudential norms with the requirements established by the Central Bank or their violation due to the payment of dividends;

- non-fulfillment or inability to eliminate the deficiencies specified in the mandatory order of the Central Bank, including in terms of information disclosure;

- if in relation to the Bank there is a requirement of the Central Bank of the Republic of Uzbekistan to stop the payment of dividends.

37. Banks must obtain the consent of the Central Bank for the distribution of profits in the following cases:

- excess of the total amount of payments on payment of dividends to shareholders, remuneration to members of the Supervisory Board, the Management Board and employees of the Bank of ten percent of equity capital of the Bank;

- existence of a loss for the current or previous quarter and (or) for the financial year.

38. Dividends are not accrued on the Bank's own repurchased shares.

## **V. NOTIFICATION OF SHAREHOLDERS ON PAYMENT OF DIVIDENDS**

39. In accordance with the Laws of the Republic of Uzbekistan “On Joint Stock Companies and Protection of Stockholders’ Rights”, “On Securities Market”, as well as the Rules for provision and publication of information by participants of securities market (registration by Ministry of Justice No. 2383 dated 31.07.2012), the Bank publishes on the websites of the RSE “Tashkent” ([www.uzse.uz](http://www.uzse.uz)) of the Bank ([aab.uz](http://aab.uz)), as well as on Single Portal of Corporate information ([www.openinfo.uz](http://www.openinfo.uz)), messages on the accrual of income on securities of the Bank within two working days from the date of the relevant decision.

40. The message must be executed in strict accordance with the Rules for the provision and publication of information by the participants of securities market (registration by Ministry of Justice No. 2383 dated 31.07.2012).

## **VI. TAXATION OF DIVIDENDS**

41. Taxation of dividends is carried out in accordance with tax law.

42. Amount of dividends is announced excluding taxes from them. In accordance with the Tax Code of the Republic of Uzbekistan, dividends are taxed at the source of payment. At the same time, the Bank pays dividends to shareholders net of applicable taxes.

43. When withholding tax on accrued dividends at the source of payment, the Bank takes into account the current tax benefits provided by the current law of the Republic of Uzbekistan.

## **VII. FINAL PROVISIONS**

44. The present Dividend Policy comes into force from the date of registration of the Charter of the Bank in new wording in the Central Bank of the Republic of Uzbekistan.

45. In the event that one of the rules of this Dividend Policy has ceased to be in force, this rule is not a reason for the suspension of other rules.

46. If the current legislative acts of the Republic of Uzbekistan prescribes other provisions than provided for by this Dividend Policy, then the rules of the current legislative acts of the Republic of Uzbekistan is applied.