Approved by protocol № 21 at the general meeting of shareholders of OJSCB «Agrobank » dated 25 April 2009.
Deputy chairman of the board of the bank

Yo.E.Tursunov

REGULATION
about council of open joint stock commercial bank «Agrobank»

TASHKENT – 2009
1. General provisions

1. The present Regulation establishes a legal status of Council of Open joint-stock commercial bank AGROBANK (hereinafter referred to as "Council of the bank", rights and duties of council members of, procedure of council’s activity.

2. The Regulation is developed according to Laws of the Republic of Uzbekistan "On banks and banking activity", "On joint stock companies and protection of shareholders rights", with Resolution of President of the Republic of Uzbekistan under No. PP-1084 dd.on March 30, 2009 "On establishment of joint-stock commercial bank AGROBANK and with Resolution of Ministers Cabinet under No. 89 dd.on March 31, 2009 "On actions for organization of activity of joint-stock commercial bank AGROBANK and with Articles of Open joint-stock commercial bank AGROBANK.

2. Tasks and authorities of Council of the bank

3. Council of the bank performs rational and effective general management of activity of bank.

4. Main objectives of Council of the bank are:
- formation of long-term policy of bank directed to improvement of quality and conveniences of services in granting the credits and to financing the agricultural producers and enterprises of agro-industrial sector of economy and rendering different types of banking and consulting services to population and rural businessmen;
- issuance of credits to agricultural producers, enterprises of all forms of ownership, including enterprises being a part of system of UZPAHTASANOAT Association (UZXLOPKOPROM) and Stock company UZDONMAKHSULOT (UZZERNOPRODUKT) specialized on processing, storage, transportation and sale of agricultural production and consecutive improvement of mechanisms of their financing for its assistance in introduction of modern technologies and equipment for production of high-quality production, competitive in the world market and for its assistance in filling the domestic consumer market with high-quality food products;
- formation in bank of modern corporate management and ensuring effective activity of executive body of bank;
- contents at acceptable level of capitalization, bank liquidity for execution by it of the tasks assigned to it and timely execution of the obligations by it;
- creation of conditions for rendering complex bank services to legal entities and physical entities as an universal commercial bank;
- activization and expansion of bank and financial infrastructure, functioning in rural zones.

5. The following are included into authorities of Council of the bank:
establishment of priority directions for activity of bank, approval of business plan of bank;
statement of deposit, credit, investment and other policy of bank;
convocation of annual and extraordinary general meetings, except for cases provided in acts;
establishment of date for formation of shareholders register, having a right for participation at a general meeting;
preparation of agenda for general meeting;
submitting for consideration at general meeting of offers on modification and additions in Articles of bank (or about adoption of Articles in a new edition);
making decision on increase in authorized capital of bank by emission into circulation and placement of additional shares, within the number of shares announced at a general meeting if a right for acceptance of such decision was granted to council of the bank according to decision of a general meeting;
approval of prospectus for emission of the bank of securities, decision on issue of securities, modification and additions of specified documents and approval of reports on results of securities issue;
statement of organizational and administrative structure of bank;
statement of board members of bank according to petition of Chairman of the bank board;
on behalf of bank conclusion of employment contract about employment of Chairman of the board;
making decision on issue of the bank bonds and other debt obligations of the bank;
making decision on repayment by bank of placed securities in cases provided in acts;
establishment of amount of remunerations paid to members of the board;
issue of recommendations about remunerations and compensations paid to members of audit commission of bank and establishment of amount of payment for services of external auditor;
decision-making on use of reserve and other funds of bank;
adoption of Regulation about internal audit service of bank;
appointment of Head for internal audit service of bank;
making decisions on creation (termination) of branches and representative offices of bank;
inclusion of annual financial statements into general meeting for consideration and approval;
issue of recommendations about amount of dividends on shares and order of their payment;
establishment of cost for alienated property of bank (including a mortgaged property);
making decision on establishment of affiliated and affiliated undertakings of bank;
quarterly hearing of report of chairman of the bank board on results of activity of bank and reports of Head of internal audit service of bank;
within its authorities to conclude large-scale deals connected with purchase and alienation of property (transaction or several interconnected transactions which total amount makes from 25 to 50 percent of cost of the bank assets for the date of decision-making);
appointment of corporate adviser;
resolution of other questions, included into authorities of the bank council.

6. Issues referred to authorities of the Bank council may not be given to board of bank for resolution.

3. Duties of council of the bank

7. Council of the bank has the followings duties:
implementation of powers with a discretion of interests of bank shareholders;
provision of the bank management according to given powers;
implementation of current control over the bank activity and correct grant of credits and investment of funds (for protection of interests of investors, creditors and shareholders);
ensuring sufficient level of capitalization of bank;
formation of business strategy of bank;
control of execution of accepted business plans on development of bank;
implementation of monitoring of acquisition of profit by the bank;
organization of activity of internal audit service;
representation to annual general meeting of reports on observance of requirements for corporate management established by acts.

4. Election of Council of the bank

8. Council of the bank is elected by general meeting in order established by legislation. A structure of the bank council consists up to ten members.

9. Board members of bank and Chairman of the board may not be elected in Council of the bank. Chairman of the bank board participates in affairs of council with a right of advisory vote.

10. Candidates, receiving the biggest number of votes of shareholders at general shareholder meeting are considered as elected to structure of council of the bank.

11. Persons, elected to structure of council of the bank can be re-elected in unlimited manner.

12. Candidates for council of the bank are represented according to acting legislation.
13. A shareholder is entitled to grant his/her vote on shares completely for one candidate or to distribute them between several candidates for members of council of bank.

5. Chairman of the bank Council

14. Chairman of the bank Council is elected from structure of the same council by its members, by a majority of votes of elected members for the bank council.

15. Chairman of the bank Council may be re-elected in order established by legislation.

16. Chairman of the board of bank.
organizes its work;
convenes meetings of council and presides over them;
organizes maintaining of protocol at meetings;
opens general shareholder meeting, presides over a meeting and considered as a part of its presidium;
on behalf of bank signs an employment contract about employment of Chairman of the board;
carries out other issues provided in Articles of bank and in legislation.

17. In absence of Chairman of the bank Council his/her duties are implemented by his/her deputies.

6. Order for convocation and holding meeting of the bank council.
Quorum of council.

18. A meeting of the bank council is convened by Chairman of the bank Council on his/her own initiative or on demand of:
member of the bank council;
Central bank of the Republic of Uzbekistan;
audit commission;
board of the bank;
head of internal audit service of bank;
external auditor of bank.

19. Meetings of the bank council are considered as authorized with participation of 75 percent of council members in it.

20. Decisions of the bank council on questions included into its power are made by a majority of votes of not less than in two third from total votes except for cases established in the law.
At resolution of questions at a meeting of the bank council, each member of council has one vote. Transfer by one member of council of bank of his/her vote to other member of council is not allowed.

21. There is maintained a protocol at a meeting of the bank council, which is made not later than 10 days after holding a meeting of council and is approved in accordance with established procedure.

22. The followings are specified in protocol of the bank council:
venue and time of holding meeting;
persons participating at a meeting;
agenda of a meeting;
questions put to vote and results of voting on them;
adopted decisions.

23. Protocol of the bank council is signed by Members of council.

24. At equality of votes at decision-making at a meeting of the bank council, Chairman of the Council shall have a decisive vote.

25. Decision of the bank council may be made by correspondence voting (poll) without holding a meeting.
Decisions of the bank council on questions, not included in quarter, annual long-term plans of activities and on current questions related to activity of bank can be adopted by correspondence voting. At the same time, a draft decision is sent to members of council and vote of member of council is considered in absentia, that is by signing the decision. After signing the decision by members of council it is registered with signature of Chairman of the Council and is accepted on execution.

26. Shareholders of bank can be informed about decisions of the bank council (except for data being a trade or bank secrecy and having a classification for official use).

7. Rights and duties of members of the bank council

27. The member of council of bank has the following rights:
to participate personally at a meeting of council, to speak on question discussed at a meeting within time allocated in regulations;
to express his/her opinion according to decision made by correspondence voting;
to obtain full and reliable information about results of the bank activity for a certain period and about plans of its development;
to receive a certain remuneration for work in council of the bank while fulfilling the duties assigned to him/her.
28. Duties between members of council are distributed by Chairman of the council. An amount of remunerations and compensations paid to each member of council is established by general shareholders meeting of bank.

29. A member of council of bank has the following duties:
   to hire and approve qualified board members of bank in order established in Articles of bank;
   to establish long-term and short-term business plan of bank at consultation with board;
   to fix sufficient policies for achievement of the bank objectives and implementation of lawful, safe and effective bank activity;
   to exercise sufficient control over banking operations according to legislation and with policies of bank;
   to supervise over the current activity of bank.

30. If a member of council of bank is interested in transaction where the bank acts as one of the parties, and also at emergence of contradictions between interests of member of the bank council and interests of bank, a member of council of bank has to report to council about his/her interest from conclusion of transaction, and decision on conclusion of transaction has to be made by majority of members of council of bank, not having such interest or at general shareholder meeting by majority of shareholders. At the same time interested members of council shall not participate in discussion on specified transaction and at decision-making.

31. When members of council of bank render influence for adoption of any decision by council they are deprived of a right for direct or indirect receiving the remuneration.

   Members of council have no right to use opportunities of bank (its property or non-property rights, opportunities in sphere of economic activity, information on activity of bank and on its plans) for personal enrichment

8. Protection of rights and interests of the bank shareholders

32. The Council of the bank protects interests and rights of shareholders of bank as follows:
   implementation of effective leadership in activity of bank with account of shareholders interests;
   control over an order of preparation for general shareholder meetings and their carrying out, and also over a voting procedure, voting tabulation and decision-making;
   non assumption of discrimination of shareholders rights at change of their shares in authorized capital of bank at increase or reduction of authorized capital by issue of additional securities and others;
development of effective dividend policy of bank;
consideration of questions connected with mutual relations with shareholders of bank;
reception and consideration of complaints and proposals of shareholders on illegal and inappropriate actions of the board.

9. Control over the banking activity

33. Council of the bank shall periodically (not less than once in a quarter) shall receive comments and written reports from the bank Board on financial condition of bank and on its activity, including recommendation about their improvement, and hears reports of Chairman of the bank board and Head of internal audit service.

Members of council, in careful manner shall check such reports and offers for establishment of a possibility of their implementation.

34. Council of the bank in a constant form controls the following financial coefficients of bank:
income in relation to assets;
income on common shares;
size of general percentage margin;
bank expenses in relation to assets not connected with payment of interests;
share of doubtful and hopeless credits in relation to all credits;
share of written-off credits after relation to all credits;
a sum of large credits and credits to persons, connected with the bank.

10. Implementation of cadres policy

35. Council of the bank develops personnel (cadres) policy of bank and strategy on attraction of highly skilled, erudite, skilled, new conceiving, initiative and responsible heads and employees in the bank.

36. Personnel policy according to legislative acts includes the following: awarding, encouragement of the bank staff and application of measures on disciplinary responsibility concerning them;
program on training and retraining;
order for appointment of leading staff of the bank;
establishment of cases for obligatory dismissal of management of bank.

37. Council of the bank develops and approves the following: criteria for evaluation of activity of board members of bank and heads of chief services of bank;
measures on prevention of conflict of interests;
a list of conditions for elimination of interested persons of bank from assignments, entrusted to them as a result of their incompetence, dishonesty, conflict of interests or other reasons.

11. Preservation of the corresponding capitalization of bank

38. For preservation of the bank capital and ensuring its compliance to scopes of the banking operations and level of risk, council of the bank shall:
   in accordance with established procedure, exercise control over creation by bank of special reserves for undertaking measures at probable losses;
   demand from board of bank to provide level of the bank risk not exceeding level, fixed by the Central bank of the Republic of Uzbekistan;
   undertake measures for placement of shares of bank;
   provide preservation capital and general reserves of bank at a sufficient level.

12. Development and fulfillment of business plan of development of the bank

39. Council of the bank independently and with involvement of consultants and experts beyond the bank, considers a business plan of bank and approves it, this business plan includes the following:
   policy of making decisions on crediting;
   order of credits control;
   control system of assets and liabilities;
   investment order.

40. Council provides implementation of business plan on development of the banking activity by the bank board and establishes control over it.

41. A business plan on development of bank is usually revised not less once a year for making necessary amendments and additions into it.

13. Liability of members of the bank council

42. Members of council of bank at implementation of their rights and execution of duties have to act with a discretion of interests of bank.
   Members of council of bank bear liability before the bank and its shareholders as per to legal acts and Articles of bank.

43. Members of council of bank, not participating in voting at a meeting of council or voting against the resolution causing a damage to bank are exempted from such liability.