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**“APPROVED”**  
by the decision of the Supervisory Board  
of the JSC “Mortgage Refinancing  
Company of Uzbekistan”  
**31.01.2023**

**THE REGULATION ON THE NOMINATION AND REMUNERATION  
COMMITTEE**

of the Joint-Stock Company  
“Mortgage Refinancing Company of Uzbekistan”

**Tashkent 2023**

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## I. General provisions

1.1. This Regulation on the Nomination and Remuneration Committee of the Joint-Stock Company “Mortgage Refinancing Company of Uzbekistan” (hereinafter referred to as the "Regulation") was developed in accordance with the Law of the Republic of Uzbekistan “On Joint-Stock Companies and Protection of Shareholders’ Rights”, Regulation of the Central Bank of the Republic of Uzbekistan No. 3219 dated February 10, 2020 “On Coordination and regulation of the activities of mortgage refinancing organizations”, other acts of legislation, the charter of the joint-stock company “Mortgage Refinancing Company of Uzbekistan” (hereinafter referred to as the Company), the Corporate Governance Code, approved by the minutes of the meeting of the Commission on improving the efficiency of joint-stock companies and improving the corporate governance system dated December 31, 2015 No. 9.

1.2. The Regulation defines the status and competence of the Nomination and Remuneration Committee (hereinafter referred to as the Committee), the rights and obligations of the Committee, the composition of the Committee, the procedure for its formation, work and interaction with other management bodies of the Company.

1.3. The Committee is established to assist the Company's Supervisory Board in improving corporate governance, developing the Company's remuneration policy and remuneration system, as well as attracting and training qualified management specialists and creating the necessary incentives for their successful work.

1.4. All proposals developed by the Committee are recommendations that are submitted for consideration to the Supervisory Board of the Company.

1.5. For the purposes of this regulation, the term “Key employees” mean the following;

- **Key employees** - Deputy CEOs, Head of the Internal Audit Service, Chief risk manager and Corporate consultant of the Company.

## II. Competence of the Committee

The competence of the Committee includes the following issues:

2.1. Personnel matters, including:

a. development of recommendations for the Supervisory Board of the Company to determine the criteria for selecting candidates for the positions of the CEO and Key employees of the Company;

b. preliminary assessment of candidates for the positions of CEO and Key employees of the Company;

c. review the criteria and system for evaluating the work of the CEO and Key employees of the Company;

d. review development of criteria for the independence of a member of the Supervisory Board and informing shareholders about candidates for members of the Supervisory Board who meet the independence criteria;

e. review development of qualification requirements for candidates for members of the Supervisory Board and submission to the Supervisory Board for consideration.

f. regular assessment of the work of the CEO and Key employees of the Company;

g. review development of a memo (instruction) for new elected members of the Supervisory Board;

h. review development of a succession planning policy for Key employees of the Company;

i. organizing an assessment of the activities of the members of the Supervisory Board, preliminary consideration of the results of the assessment and submission to the Supervisory Board for consideration with a corresponding recommendation.

## 2.2. Remuneration matters, including:

a. review development of the Company's remuneration policy and remuneration system, which are designed to provide incentives for the efficient work of the members of the Supervisory Board, CEO and Key employees of the Company:

b. on the issue of remuneration of members and the chairman of the Supervisory Board, the Committee develops criteria that allow the Company to offer them an adequate salary without fear that its size may affect the impartiality of the members of the Supervisory Board;

c. on the issue of remuneration of the CEO and Deputy CEOs, Head of the Internal Audit Service and Corporate consultant of the Company, the Committee develops and periodically adjusts the criteria for determining a fixed salary, an annual bonus based on key financial and non-financial performance indicators of the Company, as well as a long-term motivation system designed to bring their interests in line with the interests of shareholders, and systems for the

payment of benefits and other types of remuneration;

d. control that the Company's remuneration policy and the remuneration system created by it correspond to the Company's development strategy and its financial position, as well as the situation on the labor market;

e. control over the implementation of decisions of meetings of shareholders regarding the remuneration of members of the Supervisory Board, CEO and Key employees, as well as the disclosure of information related to the payment of remuneration and compensation to members of the Supervisory Board:

2.3. in terms of the Corporate governance system in the Company, in accordance with the Corporate governance code, including:

a. periodic review of the Company's documents related to corporate governance, including the charter, regulations and corporate governance code, in order to ensure their compliance with the legislation of Uzbekistan, national and international good practice;

b. development of recommendations for the proper preparation and organization of the general meeting of shareholders, carried out in close cooperation with the Corporate consultant of the Company;

c. development and periodic review of policies and rules for resolving corporate conflicts;

d. assistance to the Supervisory Board and the CEO of the Company in the development of a Code of ethics;

e. assessment of conclusions, development of recommendations and advice to members of the Supervisory Board in certain areas requiring improvement;

f. other actions in accordance with the Corporate governance code of the Company.

### **III. Election procedure and composition of the Committee**

3.1. The Committee cannot be less than three people who are elected by a majority of votes from among the members of the Supervisory Board of the Company.

3.2. The terms of office of the members of the Committee coincide with the terms of their powers as members of the Supervisory Board.

3.3. Independent members of the Supervisory Board are predominantly elected to the Committee. The Chairman of the Committee must be an independent member of the Supervisory Board of the Company. A member of the Supervisory Board of the Company who does not have material relations with the Company and is not its shareholder is considered independent.

3.4. The Chairman of the Supervisory Board recommends candidates for the Chairman and members of the Committee, which are approved by the Supervisory Board.

3.5. The CEO and Key employees of the Company cannot be members of the Committee.

3.6. Members of the Committee must have the necessary knowledge and experience of working with middle and senior management personnel.

#### **IV. Rights and obligations of the Committee**

4.1. Committee has the right:

a. request documents, reports, explanations and other information from employees of the Company;

b. invite employees of the Company to their meetings as observers;

c. use the services of external experts and consultants;

d. within its competence and in the manner provided for in these Regulations, perform any other duties that may be determined by the Supervisory Board.

4.2. Each year, the Committee analyzes and evaluates these Regulations for compliance with the established requirements and makes recommendations to the Supervisory Board on making changes to these Regulations that the Committee deems appropriate.

4.3. The Committee reports on its work to the Supervisory Board of the Company once in a year.

4.4. Members of the Committee are obliged:

a. participate in the work of the Committee and attend all its meetings;

b. monitor the situation in the sector of the economy in which the Company operates, in the development of the latest information technologies and other strategically important areas;

c. respect the confidentiality of all information that becomes known to them in the course of their official duties;

d. notify the Supervisory Board of any change in its status as an independent member of the Supervisory Board or any conflict of interest arising from decisions to be taken by the Committee;

e. conduct an annual review and evaluation of the activities of the Committee and its members, including a review of the Committee's compliance with these Regulations.

## **V. Working procedure of the Committee**

5.1. The Committee is headed by a Chairman elected by a majority vote of the members of the Supervisory Board.

5.2. Chairman of the Committee:

a. organizes the development and submits for approval by the Committee the work plan of the Committee;

b. organizes the work and convenes meetings of the Committee, presides over them;

c. determines the form, date and agenda of the meetings of the Committee;

d. determines the list of persons invited to participate in the meeting of the Committee;

e. organizes the discussion of issues at meetings of the Committee, as well as hearing the opinions of invited persons;

f. organizes the keeping of the minutes of the meeting of the Committee;

g. distributes responsibilities among the members of the Committee;

h. informs and reports on the results of the work of the Committee to the Supervisory Board of the Company;

i. gives instructions to the members of the Committee related to the in-depth study of the issue and the preparation of materials for consideration at a meeting of the Committee;

j. exercises control over the implementation of the decisions adopted by the Committee;

k. maintains constant contacts with the CEO of the Company, the Supervisory Board of the Company, external and internal auditors and

employees of the Company in order to obtain the most complete and reliable information necessary for the Committee to make decisions, as well as to ensure effective interaction with the Supervisory Board of the Company;

1. performs other functions within the competence of the Committee, which are provided for by the current legislation, the Charter of the Company, this Regulation and other internal documents of the Company.

5.3. The Corporate consultant of the Company is the secretary of the Committee. Within the scope of his powers, the Corporate consultant:

a. prepares the work plan of the Committee based on the proposals of the members and the Chairman of the Committee;

b. prepares and sends to the members of the Committee notifications of upcoming meetings and materials received from speakers on agenda items;

c. prepares and signs the minutes of the meeting of the Committee;

d. organizes the storage of minutes and materials of meetings of the Committees;

e. if necessary, at the request of interested parties, prepares extracts from the minutes;

f. carries out the instructions of the Chairman of the Committee.

5.4. The work of the Committee is carried out in the form of meetings.

5.5. Committee meetings are held as needed, but in any case, at least once every 6 months. If the agenda of the meeting of the Supervisory Board includes issues within the competence of the Committee, the meeting of the Committee is held no later than 7 days before the corresponding meeting of the Supervisory Board.

5.6. Meetings of the Committee are convened at the initiative of the Chairman of the Committee, any member of the Committee or by decision of the Supervisory Board of the Company.

5.7. Meetings are held in the following forms: joint presence, absentee voting, video and audio conference.

5.8. A meeting of the Committee has a quorum if at least half of the members of the Committee are present.

5.9. The Secretary of the Committee sends a preliminary notification to all members of the Committee indicating the agenda of the meeting and ensures

that they are provided with all the necessary information on each item of the agenda no later than 7 days before the meeting. Notification is carried out in any form convenient for the members of the Committee: by phone, fax, regular or e-mail.

5.10. The meeting of the Committee is documented in minutes, which is signed, including in electronic form, by all members of the Committee who participated in the meeting.

5.11. Based on the results of the discussion of issues, the Committee makes decisions in writing, which are signed, including in electronic form, by all members of the Committee who participated in the meeting. Such written resolutions shall be submitted to the Chairman of the Supervisory Board of the Company or the Corporate consultant of the Company in the course of preparation for the next meeting of the Supervisory Board. Each member of the Committee may express his/her dissenting opinion, which shall be submitted together with the decision of the Committee.

5.12. The Committee makes decisions by a majority vote of its members participating in the meeting.

## **VI. Final provisions**

6.1. This Regulation come into force from the date of approval by the Supervisory Board of the Company.

6.2. All changes to this Regulation must be made in writing and approved by the Supervisory Board of the Company, about which the relevant minutes of the meeting of the Supervisory Board of the Company must be drawn up.

6.3. With the entry into force of this Regulation, the Regulation "On the Nomination and Remuneration Committee" and all changes made to it, approved by the Supervisory Board, JSC "Mortgage Refinancing Company of Uzbekistan" dated August 3, 2020 and February 19, 2021, become invalid.