

JOINT-STOCK COMMERCIAL MORTGAGE BANK "IPOTEKA-BANK"



**INFORMATION FOR THE EXTRAORDINARY GENERAL SHAREHOLDERS
MEETING
OF JSCMB "IPOTEKA-BANK"**

Tashkent

February 25, 2025

Information for the extraordinary General Shareholders Meeting of JSCMB Ipoteka Bank, including:

1. Agenda of the extraordinary General Shareholders Meeting of JSCMB Ipoteka Bank.
2. Procedure for convening the extraordinary General Shareholders Meeting of JSCMB Ipoteka Bank.
3. Summary of the management proposal on partial writing off of the non-performing loans.
4. Summary of the proposed Amendment to the Charter of JSCMB Ipoteka Bank.

1. AGENDA

- 1. Approval of the management proposal on partial writing off of the non-performing loans.**
- 2. Approval of the proposed Amendment to the Charter of JSCMB Ipoteka Bank.**

2. PROCEDURE FOR CONVENING THE EXTRAORDINARY GENERAL SHAREHOLDERS MEETING OF JSCMB IPOTEKA BANK

Location:

**30 Shakhrisabz Street
Tashkent City**

Date:

**February 25, 2025
Start time 11:00**

Registration of attending shareholders
(using evote.uz electronic voting system)

10:00 – 11:00

Opening of the extraordinary General Shareholders Meeting

11:00

Closing of the extraordinary General Shareholders Meeting

12:00

3. SUMMARY OF THE MANAGEMENT PROPOSAL ON PARTIAL WRITING OFF OF THE NON-PERFORMING LOANS.

The cotton clusters in Uzbekistan are incurring losses due to the decreasing prices of textile products on the world market. Due to financial losses in the core activities of the clusters, they are experiencing problems in repaying their bank loans.

Today, JSCMB Ipoteka-Bank suspended financing of cotton cluster projects. Thus, cotton clusters and related organizations were offered a discount of 30% on the total amount of exposure. Some of the bank's borrowers (cotton clusters and related companies) requested a 30% discount, and the remaining 70% will be repaid by December 1, 2024. A part of the debt shall be repaid by the borrower, and the rest shall be transferred to other commercial banks. As per Clause 53 of the Central Bank Regulation on the classification of bank assets and creation of reserves for possible losses No. 2696 dated July 14, 2016, it is the authority of the General Shareholders Meeting to approve the writing-off of the non-performing loans.

4. SUMMARY OF THE PROPOSED AMENDMENT TO THE CHARTER OF JSCMB IPOTEKA BANK

In accordance with the existing Charter of the Bank (Section 14.12) labor agreements with employees of the Bank shall be concluded by the Chairman of the Management Board, and labor agreements with employees of Bank's branches shall be concluded by heads of the Bank's branches.

This authority of the Chairman of the Management Board may be delegated to one of the deputies Chairman of the Management Board on the basis of a power of attorney.

Due to centralization, being implemented by the Bank, and increasing number of the Bank's HQ staff, there is a need to amend this section of the Charter to avoid limiting the authority to enter into employment contracts solely to the Chairman of the Management Board.

During the process of revising this provision of the Charter, it was also noted that the authority of the Chairman of the Management Board to enter employment contracts with bank employees is specified in Subsection 14.22.5 of the Charter, as

well as the authority to issue powers of attorney on behalf of the Bank, which is also mentioned in Subsection 14.22.7. Therefore, it was decided to remove Section 14.12 from the Charter.

As a result of these changes, each Deputy CEO will have the authority to sign employment contracts with employees of his/her block.