

"APPROVED"

General meeting of shareholders

JSC "UzKoji" JV

From "____" _____ 2016.

Protocol No. _____

Regulation on the Supervisory Board

2016 year

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I. GENERAL PROVISIONS

1. This provision has been developed in accordance with the Law of the Republic of Uzbekistan "On Joint Stock Companies and Protection of Shareholder Rights", other legislative acts, the charter of the Joint Stock Company "UzKoji" JV (hereinafter - the Company), the Code of Corporate Governance approved by the protocol of the meeting of the Commission on Increasing Efficiency Activity of joint-stock companies and improvement of the corporate governance system of December 31, 2015. No. 9, defines the status and regulates the work of the supervisory board of the company, the election of its members, as well as their rights and obligations.

2. The Supervisory Board exercises general management of the company's activities, with the exception of resolving the issues referred by the legislation and the company's charter to the competence of the general meeting of shareholders.

3. The distribution of functions among the members of the supervisory board is exercised by the chairman of the supervisory board for each member of the supervisory board.

II. COMPETENCE OF THE SUPERVISORY COUNCIL

1. The competence of the supervisory board of the company includes:

Definition of priority areas of the company's activities

With regular hearing of the report of the executive body of the company

On the measures taken to achieve the development strategy of the society;

Convocation of annual and extraordinary general meetings of shareholders, except for the cases stipulated by part one of the eleventh article 65 of the Law of the Republic of Uzbekistan "On joint-stock companies and protection of shareholders' rights";

Preparation of the agenda, determination of the date, time and place of the general meeting of shareholders;

Determining the date of formation of the register of shareholders of the company

For notification of the general meeting of shareholders and participation in the general meeting of shareholders;

Introduction of the issues specified in the second paragraph of the first part of Article 59 of the Law of the Republic of Uzbekistan "On Joint Stock Companies and Protection of the Rights of Shareholders" for the decision of the General Meeting of Shareholders;

Organization of market value of property;

Formation, election (appointment) of members of the board of the company (except for its chairman), early termination of their powers;

Organization of a competition for the position of the head of the executive body and its members, with the approval of the competition selection rules

On managerial positions describing the procedures for announcing a tender, objective criteria for selection, hiring new, modern-minded, highly qualified managers that meet modern requirements, as well as foreign managers;

The establishment of remuneration and (or) compensation paid to the executive body of the company, as well as their size limits, with reference to these payments to the performance of key performance indicators established by the Cabinet of Ministers of the Republic of Uzbekistan on July 28, 2015. №207 "On the introduction of criteria for assessing the performance of joint-stock companies and other economic entities with a share of the state";

Appointment of a corporate consultant and approval of a provision determining the order of its activities;

Approval of the company's annual business plan. At the same time, the company's business plan for the next year should be approved at a meeting of the company's supervisory board no later than December 1 of this year;

The creation of an internal audit service and the appointment of its employees,
As well as quarterly hearing of its reports;
Access to any documents related to the activities of the executive body of the company and receive them from the executive body to perform the duties assigned to the company's supervisory board. Received documents can be used by the supervisory board of the company and its members exclusively for business purposes;
Making a decision to conduct an audit, including on the conduct of an external audit of the company's financial statements, compiled in accordance with international financial reporting standards;
On the definition of the audit firm and the maximum amount of payment for its services;
Giving advice on the amount of remuneration and compensation paid to members of the company's audit committee;
Giving recommendations on the size of the dividend, the form and the procedure for its payment;
Use of reserve and other funds of the company;
Creation of branches and opening of representative offices of the company;
The creation of subsidiaries and dependent business entities (they are created in the form of a joint-stock company or a limited liability company);
Making a decision on a major transaction, the subject of which is property, the book value or purchase price of which is from fifteen to fifty percent of the net assets of the company as of the date of making a decision to conclude such a transaction in accordance with Chapter 8 of the Law of the Republic of Uzbekistan "On Joint Stock Companies and Protection of shareholders' rights";
Making a decision on the transaction with an affiliated company in accordance with Chapter 9 of the Law of the Republic of Uzbekistan "On Joint Stock Companies and Protection of Shareholder Rights";
Conclusion of transactions related to the participation of the company in commercial And non-commercial organizations, in accordance with the procedure established by law;
Making a decision on the issuance by the company of corporate bonds, including those convertible into shares;
Decision-making on the issue of derivative securities;
Decision-making on redemption of corporate bonds of the company;
Adoption of resolutions on issues related to the increase of the charter capital (charter capital) of the company, as well as issues related to the introduction of amendments and additions to the company's charter related to the increase in the charter capital (authorized capital) of the company and the reduction in the number of announced shares of the company;
Approval of the resolution on the issue of securities (shares, bonds) and the prospectus;
Making changes and / or additions to the decision on the issue of securities (shares, bonds) and the prospectus of emission and approval of their text;
Determining the price of placement (placing on the exchange and organized over-the-counter securities market) of shares in accordance with Article 34 of the Law of the Republic of Uzbekistan "On Joint Stock Companies and Protection of Shareholder Rights";

Approval of the information.

III. ELECTION, APPOINTMENT AND EARLY TERMINATION OF THE AUTHORITY OF THE MEMBERS OF THE SUPERVISORY COUNCIL

1. The election of members of the supervisory board of the company shall be made by the general meeting of shareholders in the manner prescribed by law
And the charter of the company for a period of one year.
2. The quantitative composition of the supervisory board of the company is determined by the charter of the company. At the same time, the company includes at least one independent member (but no less than 15% of the number of members of the supervisory board provided by its charter) to the supervisory board.
3. The Supervisory Board shall include at least one independent member (but not less than 15% of the number of members of the supervisory board provided by its charter). At the same time, an independent member is nominated by shareholders upon their agreement.
In the case of non-nomination of an independent member of the public, the reasons for not complying with this Code Recommendation are published.
4. The criteria for independent members of the supervisory board are defined in the Corporate Governance Code.
5. Persons elected to the supervisory board of the company may be re-elected unrestrictedly.
6. The head of the executive body of the company and its members can not be elected to the supervisory board of the company.
7. The members of the supervisory board of the company can not be persons who work under an employment contract (contract) in the same company.
8. Early termination of the powers of the elected member of the supervisory board shall be carried out by decision of the general meeting of shareholders when the shareholder changes, violation of his duties by a member of the supervisory board, availability of a corresponding statement of the supervisory board and other grounds.
9. Persons elected to the supervisory board of the company must have a qualification certificate of the corporate manager (for companies with a state share) or a certificate of the Scientific and Educational Center for Corporate Governance.
10. Elections of members of the supervisory board of the company shall be carried out by cumulative voting.
11. In cumulative voting, the number of votes belonging to each shareholder is multiplied by the number of persons who are to be elected to the company's supervisory board, and the shareholder is entitled to give back the votes thus obtained in full for one candidate or distribute them among two or more candidates.
12. The candidates who received the largest number of votes are elected to the Supervisory Board.

IV. CHAIRMAN OF THE SUPERVISORY COUNCIL

1. The chairman of the supervisory board of the company is elected by the members of the supervisory board from its composition by a majority of votes
Of the total number of members of the supervisory board.
2. The Supervisory Board of the Company shall be entitled to re-elect its Chairman by a majority of votes of the total number of members of the Supervisory Board.
3. The Chairman of the Supervisory Board of the Company organizes its work, convenes meetings of the Supervisory Board and presides.
On them, organizes the conduct of the minutes at meetings, presides over
At the general meeting of shareholders.
4. In the absence of the chairman of the supervisory board of the company, its functions are exercised by one of the members of the supervisory board.

V. SESSION OF THE SUPERVISORY COUNCIL

1. The meeting of the supervisory council of the company is convened by the chairman of the supervisory board on his own initiative,

At the request of a member of the supervisory board, the audit commission, the executive body and the shareholders (shareholder) who are

In aggregate by the owners of not less than one percent of the voting shares of the company.

2. The meeting of the supervisory council of the company shall be convened by the chairman of the supervisory board at least once a quarter. At the meeting, the following shall be considered:

Report of the executive body on the implementation of the company's annual business plan, on the measures taken to achieve the company's development strategy, on the work done and on the achievement of the performance indicators of the enterprises belonging to the company approved by their business plans, as well as other internal documents of the company;

Report of the internal audit service;

Opinion of the Audit Commission on the availability of transactions

With affiliated persons or major transactions in the company, as well as compliance with the requirements of the legislation and internal documents of the company to perform such transactions.

3. The quorum for the meeting of the supervisory board of the company shall be at least seventy-five percent of the number of elected members of the supervisory board of the company.

4. In the event that the number of members of the supervisory board becomes less than seventy-five percent of the amount provided for in the charter, the company must convene an extraordinary general meeting of shareholders to elect a new composition of the supervisory board of the company. The remaining members of the supervisory board are entitled to decide on the convocation of such an extraordinary general meeting of shareholders, as well as in case of early termination of the powers of the director to appoint a temporary acting member.

5. Decisions at a meeting of the company's supervisory board shall be made by a majority of those present, with the exception of cases provided for by the Law of the Republic of Uzbekistan "On Joint Stock Companies and Protection of Shareholder Rights" and the company's charter. When resolving issues at a meeting of the supervisory board of the company, each member of the supervisory board has one vote.

The chairman of the supervisory board of the company has the right to a decisive vote in the event of a tie of votes of the members of the supervisory board.

The decision on increasing the authorized capital (capital) of the company and on making appropriate changes to the charter is taken by the company's supervisory board unanimously.

6. The transfer of a vote by one member of the company's supervisory board to another member of the supervisory board or to a third party is not allowed.

7. At the meeting of the company's supervisory board, a protocol is kept. The minutes of the meeting of the supervisory board shall be drawn up not later than ten days after its holding.

8. The minutes of the meeting shall contain:

- date, time and place of its conduct;
- persons present at the meeting;
- agenda of the meeting;
- Issues put to vote, results of voting on them;
- decisions taken.

9. The minutes of the meeting of the supervisory board of the company shall be signed by the members of the supervisory board of the company participating in the meeting who are responsible for the correctness of the protocol.

10. The minutes of the meeting of the company's supervisory council shall be submitted for execution to the director of the company on the day of its signing. In the event that the Supervisory Board makes a decision to convene a general meeting of shareholders, information on this decision shall be passed to the director of the company on the day of the meeting of the supervisory board.

11. A meeting of the supervisory board may be held by a poll, except for a meeting in which reports of the audit committee, internal audit services

And the executive body. In this case, the decisions of the supervisory board of the company can be adopted by absentee voting (by poll) by all members of the supervisory board unanimously.

In the presence of technical means, means of identification of members of the supervisory board and other equipment, the meetings of the supervisory board may be held in the mode of video conferencing.

VI. RIGHTS AND OBLIGATIONS OF MEMBERS OF THE SUPERVISORY COUNCIL

1. A member of the supervisory board has the right:

- personally take part in the meeting of the supervisory council, speak on the issue discussed at the meeting within the time allotted by the regulations;
- upon the decision of the supervisory board to receive information on the activities of the company for a certain period of time, plans for its development;
- To receive remuneration and (or) compensation of expenses for work in the supervisory board in accordance with the procedure established by the legislation and internal documents of the company;
- other rights stipulated by the legislation and the charter of the company;
- create committees (working groups) under the supervisory board,

On the relevant issues, including the Committee on Conflict Situations, on Audit, Personnel, etc., from among the members of the supervisory board, the executive body, the personnel of the JSC and the attracted experts (specialists of the relevant profile, the teaching staff of profile higher education institutions and others).

2. A member of the supervisory board shall:

- inform the company of its affiliation in the transaction by the company by sending a written notice detailing the details of the proposed transaction, the material terms of the relevant agreement.

- exercise their duties in good faith, as well as in the manner that he considers best in the public interest;
- other duties stipulated by the legislation and the charter of the company.

Members of the supervisory board have no right to use the opportunities of the company (property or non-property rights, opportunities in the field of economic activity, information about the activities and plans of the society) for personal enrichment purposes.

VII. RESPONSIBILITY OF MEMBERS OF THE SUPERVISORY COUNCIL

1. Members of the supervisory board of the company in exercising their rights and performing their duties must act in the public interest and bear responsibility to the company in accordance with the legislation and the company's charter.
2. In case several persons are liable, their liability to the community is solidary.
3. Members of the supervisory board who did not take part in voting or voted against a decision that caused losses to the company, are not liable, except in cases stipulated by Article 90 of the Law of the Republic of Uzbekistan "On Joint Stock Companies and Protection of Shareholder Rights".
4. A company or a shareholder (shareholders) owning in aggregate at least one percent of the company's outstanding shares has the right to apply to the court with a claim against a member of the supervisory board on compensation of losses caused by the company.

VIII. PROCEDURE FOR DETERMINING THE REMUNERATION AMOUNT FOR MEMBERS OF THE SUPERVISORY COUNCIL

1. Members of the supervisory board are paid remuneration
Based on the results of an independent evaluation of the corporate governance system
And financial performance of the company.
2. The Company conducts an independent evaluation of the system of corporate governance and financial performance of the company every month (quarterly, every six months, annually).
3. The results of the independent evaluation serve as the basis for
To determine the amount of remuneration paid to the chairman
And members of the supervisory board.
4. In accordance with the contract with an independent organization, the results of the activities of the supervisory board may be considered unsatisfactory, low, satisfactory and high.
5. The amount of remuneration (at the rate of 1 member of the supervisory board for 1 calendar month) is determined in the following order:
If recognized as unsatisfactory - the award is not accrued and is not paid;
If recognized as low - compensation is accrued and paid
In the amount of 2 minimum wages;
If it is found to be satisfactory - the fee is charged
And is paid in the amount of 7 times the minimum wage;
If recognized as high - remuneration is calculated and paid in the amount of 10 times the minimum wage.
At the same time, an incremental coefficient is established for the remuneration paid to the chairman of the supervisory board
In the amount not exceeding 1.2 times the amount paid to a member of the supervisory board.

IX. FINAL PROVISIONS

1. The Office (department) of corporate relations with shareholders or a securities specialist or a corporate secretary is responsible for providing the members of the supervisory board with the necessary materials, as well as for the relationship with shareholders and investors.
2. Persons guilty of violating the requirements of these Regulations are liable in accordance with the established procedure.
3. If certain articles of this Regulation conflict with the current legislation of the Republic of Uzbekistan and / or the Charter of the Company, these articles become invalid and, in the part regulated by these articles, be guided by the norms of the current legislation of the Republic of Uzbekistan and / or the Charter of the Company until appropriate changes are made to it Present Regulations.