

«Approved»
by decision of the sole shareholder of
Uzbekiston Temir Yullari Joint Stock
Company,
dated « 30 » September 2016, №10

REGULATIONS
on the executive body of Uzbekiston Temir Yullari Joint Stock Company

I. General Provisions

1. These Regulations determine the tasks and regulate the procedure for the activities of the executive body (hereinafter - the Management Board) of Uzbekistan Temir Yollari Joint Stock Company (hereinafter the Company), the procedure for appointing its members, as well as the rights and duties of its members.

1. The Regulations were developed in accordance with the Law of the Republic of Uzbekistan “On Joint Stock Companies and Protection of Shareholders’ Rights”, other regulatory and legal acts, the Company's Charter, and the Corporate Management Code, approved by the minutes of the meeting of the Commission on increasing the efficiency of joint-stock companies and improvement of the corporate governance system dated December 31, 2015 No. 9 and the Company’s Charter.

II. Membership of the Management Board of the Company and the procedure for its appointment

3. The Management Board of the Company shall include:

Chairman of the Board;
first Deputy Chairman of the Board;
chief manager-chief engineer;
Deputy Chairmen of the Board.

4. The Chairman of the Management Board and members of the Management Board of the Company shall be appointed by the Cabinet of Ministers of the Republic of Uzbekistan upon agreement with the President of the Republic of Uzbekistan.

5. The Chairman of the Management Board and the members of the Management Board of the Company shall conclude individual employment contracts for a period of one year with an annual decision on whether to extend or terminate it. The sole shareholder (state attorney) of the Company shall sign the employment contract on behalf of the Company with the chairman and members of the Company's Management Board.

6. Material incentives for members of the Management Board of the Company shall be exercised in accordance with the effectiveness of the Company's activities, in accordance with internal acts applicable at the Company.

III. Competence of the Management Board of the Company

7. The competence of the Management Board of the Company shall include all issues related to the management of the Company's day-to-day operations, with the exception of matters falling within the competence of the sole shareholder and/or the Council of the Company.

8. Members of the Management Board of the Company shall operate within the competence determined by decisions of the sole shareholder and the Company's Board, instructions of the Chairman of the Management Board of the Company, the terms of the labor contract concluded with them.

IV. Chairman of the Management Board of the Company

9. The Chairman of the Management Board shall exercise general management of the Company's activities, bear personal responsibility for the performance of the tasks assigned to the Company, compliance with the legislative acts of the Republic of Uzbekistan, the Charter of the Company, local and other regulatory acts, allocate responsibilities, determine powers in resolving issues of the Company's activities.

10. The Chairman of the Management Board of the Company shall have the right to:
without power of attorney act on behalf of the Company, represent its interests in relations with other organizations and state bodies;

determine main directions of economic, scientific, technical and social development of railway transports;

approve the main forecast parameters of the production and financial activities of the Company and its enterprises;

approve charters of enterprises, institutions, organizations and divisions that make up the Company;

dispose of property and monetary funds within the limits stipulated by the Charter of the Company;

conclude agreements and contracts, including labor contracts;

issue power of attorney;

open settlement and other accounts with banks;

issue orders and instructions binding on all employees of the Company;

approve the staff of the executive body of the Company and the staff of enterprises, institutions, units that are members of the Company, carry out its staffing;

if necessary, amend the structure of the executive body of the Company, the organizational structure of the management apparatus of regional railway units and other enterprises of the Company, within the established number of management personnel;

in the established order, appoint managers of enterprises, institutions, organizations and divisions included in the organizational structure of the Company;

determine the amount of remuneration to the Company's employees;

determine positions when voting on behalf of the Company of its representatives in the management bodies of enterprises, organizations and institutions that are part of the organizational structure of the Company.

11. Obligations of the Chairman of the Management Board:

ensuring efficient and sustainable operation of the Company;

organization of execution of decisions of the Council and the sole shareholder of the Company;

ensuring effective interaction of production units and other structural divisions of the Company;

ensuring the fulfillment of contractual obligations by the Company;

ensuring the receipt of profits in the amounts necessary for the development of production and social sphere;

management of development of programs and business plans for the development of the Company, organization and control of their execution;

ensuring the insurance of business risks of the Company and the responsibility of the Management Board;

ensuring the organization, proper state and reliability of accounting and reporting at the Company, timely submission of an annual report and other financial statements to the relevant authorities, as well as information on the Company's activities to be sent to the sole shareholder, creditors of the Company and other recipients of information;

organization of meetings of the Company's Management Board, signing of the necessary documents on behalf of the Company;

taking measures to provide the Company with qualified personnel, based on the best use of knowledge, qualifications, experience and abilities of the Company's employees;

organization of improvement of professional skills of the Company's officials through participation in training courses, seminars and other events;

maintenance of labor and technological discipline;

ensuring compliance with social guarantees, labor protection and industrial safety of the Company's employees;

ensuring the participation of representatives of the Management Board in collective bargaining;

performance as the administration of the Company in the conclusion of the Industry Agreement;

fulfillment of obligations under the sectoral agreement;

provision in due time to the sole shareholder and the Council of the Company, of information and reports on the state of affairs relevant to its competence.

V. Work procedure of the Management Board of the Company

12. Meetings of the Management Board of the Company shall be held as necessary, but not less than once a quarter. The point of view of the Company's Management Board at the meeting of the Board or the sole shareholder of the Company shall be reported and defended by the Chairman of the Management Board or an authorized member of the Management Board.

13. Meetings of the Management Board of the Company shall be conducted by its chairman or one of its deputies on the basis of the issues under consideration.

14. The Secretariat, with the Chairman of the Management Board of the Company, shall organize the keeping of minutes of meetings of the Management Board of the Company. Minutes or extracts from the minutes of meetings of the Management Board of the Company shall be sent, if necessary:

to the Chairman of the Council and/or the head of the Audit Commission of the Company;

at the request of other officials of the Company and the audit organization - only upon the permission of the Chairman of the Management Board of the Company;

to other persons and bodies (including state bodies) in cases provided for by the current legislation.

VI. Responsibility of members of the Management Board of the Company

15. In the event that a member of the Management Board of the Company is a financially-interested person in a transaction, one of the parties to which the Company is a member, it shall inform about its interest until the decision is made and it shall not take part in the discussion of this issue in the voting.

16. Members of the Management Board of the Company shall not use the rights granted by their official position for the purposes and interests of legal entities and individuals with whom they are in labor relations.

17. Members of the Company's Management Board shall not allow actions to extract personal benefits from the disposal of the Company's property.

18. Members of the Management Board of the Company shall not have the right during this period to establish or participate in the establishment of enterprises whose activities create difficulties in the sale of products or in the provision of services to the Company. A member of the Management Board of the Company shall be obliged to suspend its participation in similar enterprises upon appointment to the Company.

19. Members of the Management Board of the Company shall adhere to the strategic goals of the Company - maintaining the financial stability of the Company, increasing labor productivity and product competitiveness, increasing production, export and energy efficiency, carrying out technical and technological upgrading of the Company's production facilities.

20. Members of the Management Board of the Company shall be liable to the Company for damage caused to them as a result of non-performance or improper performance of their functions in full for the compensation for damage caused to the Company in accordance with the current legislation of the Republic of Uzbekistan and the Company's Charter. At the same time, members of the Company's Management Board who did not take part in voting or voted against the decision that caused losses to the Company shall not be liable.

21. The Company or the sole shareholder of the Company shall have the right to appeal to the court against the members of the Management Board of the Company or to its individual member for compensation of losses caused to the Company.

22. A member of the Management Board of the Company for the violation of the Company's Charter, as well as the terms of the employment contract, may be recalled from the position held while simultaneously terminating the employment contract.

VII. Final Provisions

23. If certain articles of these Regulations conflict with the current legislation of the Republic of Uzbekistan and/or the Company's Charter, these articles shall become invalid and, in part of the matters regulated by these articles it is necessary to be guided by the provisions of the current legislation of the Republic of Uzbekistan and/or the charter of the Company, until the relevant changes are made in these Regulations.