

«Approved»
by resolution of the sole shareholder of
Uzbekiston Temir Yullari Joint Stock Company,
dated «30» June 2020, №57

REGULATIONS
on Supervisory Board of
Uzbekiston Temir Yullari Joint Stock Company

I. GENERAL PROVISIONS

1. These Regulations determine the status and regulate the work of the Supervisory Board (hereinafter referred to as the Council) of Uzbekistan Temir Yullari joint-stock company (hereinafter - the Company), the election of its members, as well as their rights and obligations.

2. These Regulations were developed in accordance with the Law of the Republic of Uzbekistan "On Joint Stock Companies and Protection of Shareholders' Rights" (hereinafter - the Law), 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.

3. The Council of the Company shall exercise general management of the Company's activities, except for resolving the issues attributed to the sole shareholder of the Company by the legislation and the Company's Charter.

II. COMPETENCE OF THE COUNCIL OF THE COMPANY

4. The competence of the Council of the Company shall include:

determination of priority activities of the Company with regular hearings of the reports of the executive body of the Company on measures taken to achieve the Company's development strategy;

introduction for consideration of the Company's sole shareholder of the issues stipulated by 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 Shareholders' Rights";

organization of the establishment of the market value of the property;

approval of the annual business plan of the Company. At the same time, the Company's business plan for the next year shall be approved by the Council of the Company not later than December 1 of the current year;

monitoring the achievement of the goals outlined in the business plan of the Company;

creation of the internal audit service of the Company and appointment of its employees, as well as quarterly hearing of its reports;

giving recommendations on the amount of remuneration and compensation to be paid to members of the Company's Audit Commission;

giving recommendations on the amount of the dividend, the form and procedure for its payment;

use of reserve and other funds of the Company;

establishment of enterprises, organizations and institutions of any organizational and legal form of ownership, as well as branches and opening of representative offices of the Company;

establishment of subsidiaries and dependent business entities;

making a decision on a major transaction, the subject of which is the Company's property, the book value or purchase price of which is more than fifteen percent of the Company's net assets 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 making a transaction with an affiliated person of the Company in accordance with Chapter 9 of the Law of the Republic of Uzbekistan "On Joint Stock Companies and Protection of Shareholders' Rights";

conclusion of transactions related to the Company's participation in commercial and non-commercial organizations, in accordance with the procedure established by law;

access in accordance with the established procedure to documents relating to the activities of the executive body of the Company and obtaining them for the performance of the duties assigned to the Company's Council;

resolution of other issues in accordance with the law.

5. The Council of the Company for the implementation of the recommendations of the Corporate Management Code shall implement:

coordination of the activities of the executive body, internal control bodies and other collegial bodies of the Company, and, if necessary, the involvement of experts to organize the development of the Company's development plans and monitor the achievement of the goals outlined therein;

coordination of works on the development, implementation and regular assessment of the compliance of the Company's organizational structure with the requirements of legislation, as well as ensuring the transition of the Company's annual financial statements for publication in accordance with International Financial Reporting Standards;

6. The issues referred to the competence of the Company's Council can not be transferred to the decision of the Company's executive body.

III. ELECTION, APPOINTMENT AND EARLY TERMINATION OF AUTHORITIES OF THE MEMBERS OF THE COMPANY'S COUNCIL

7. The personal and quantitative composition of the Council of the Company is defined by Resolution of the President of the Republic of Uzbekistan dated July 24, 2006 No. PP-424 "On Approval of the Membership of Councils of Certain Major Joint-Stock Companies with State Assets".

- Persons elected to the Board of the Company must have a certificate of corporate manager (for companies with state contributions) or a certificate of the Research and Training Center for Corporate Governance, higher education and at least 3 years of work experience must be individuals.

8. When a Council member moves to another job, the person reappointed to this position shall be included in the membership of the Company's Council.

9. Persons elected to the Council of the Company shall have a qualification certificate of a corporate manager.

IV. CHAIRMAN OF THE COUNCIL OF THE COMPANY

10. The Chairman of the Council of the Company has been defined by the Resolution of the President of the Republic of Uzbekistan of July 24, 2006 No. PP-424 "On Approval of the Boards of the Councils of Certain Major Joint Stock Companies with State Assets."

11. The Chairman of the Council of the Company shall organize the work of the Council, convene meetings of the Council and preside over them, organize the keeping of the minutes at meetings.

12. The distribution of functions among the members of the Company's Council shall be carried out by the Chairman of the Company's Council for each member of the Company's Council.

V. MEETING OF THE COMPANY'S COUNCIL

13. The meeting of the Council of the Company shall be convened by the Chairman of the Council on its own initiative, at the request of the sole shareholder, member of the Council, the Audit Commission, the executive body of the Company.

14. The meeting of the Council of the Company shall be convened by the Chairman of the Council at least once a quarter. At the meeting, the following shall be considered in an obligatory manner:

a report of the executive body of the Company on the implementation of the annual business plan of the Company, on measures taken to achieve the Company's development strategy, on the work done and achievement of the performance indicators of the enterprises that are part of the Company approved by their business plans, as well as other internal documents of the Company;

report of the Internal Audit Service of the Company;

a conclusion of the Audit Commission of the Company 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 for the completion of such transactions.

15. The quorum for the meeting of the Council of the Company shall be at least seventy-five percent of the number of elected members of the Company's Council.

16. Members of the Council shall be entitled to make decisions on convening an extraordinary meeting of the sole shareholder in the event of early termination of the powers of the head of the executive body of the Company and, at the same time, appoint a person temporarily performing its duties.

17. The minutes of the meeting shall include:

date, time and place of its conduct;

persons present at the meeting;

agenda of the meeting;

issues put to vote, the results of voting on them;

decisions made.

18. The minutes of the meeting of the Council of the Company shall be signed by the members of the Company's Council participating in the meeting who are responsible for the correctness of the minutes.

19. The minutes of the meeting of the Council of the Company shall be submitted for execution to the executive body of the Company on the day of its signing.

20. The meeting of the Council of the Company may be held by poll, except for the meeting at which reports of the audit commission, the internal audit service and the executive body of the Company are heard. At the same time, the decisions of the Company's Council can be adopted by absentee voting (by poll) by all members of the Company's Council unanimously.

21. In the presence of technical means, means of identification of members of the Council of the Company and other equipment, the meetings of the Company's Council may be held in the mode of video-conference communication.

VI. RIGHTS AND OBLIGATIONS OF MEMBERS OF THE COMPANY'S COUNCIL

22. A member of the Council of the Company shall have the right to:

personally take part in the meeting of the Council of the Company, speak on the issue discussed at the meeting within the time allotted by the regulations;

by the decision of the Council of the Company, receive information on the activities of the Company for a certain period of time, plans for its development;

other rights stipulated by the legislation and the Charter of the Company;

under the Company's Council, create committees (working groups) on relevant issues, including a committee on conflict situations, on audit, personnel, etc., from among members of the Council, the executive body, the Company's staff and the attracted experts (specialists of a relevant profile, teaching staff of profile higher education institutions and others).

The members of the supervisory board may be paid remuneration based on the results of an independent evaluation of the corporate governance system and financial performance of the company.

A member of the Council of the Company shall:

inform the Company of its affiliation in the transaction committed by the Company by sending a written notice detailing the proposed transaction, the material terms of a relevant agreement;

exercise their duties in good faith, and also in the manner that it considers best in the interests of the Company;

other duties stipulated by the legislation and the Charter of the Company.

23. Members of the Company's Council shall not have the right to use the Company's capabilities (property or non-property rights, business opportunities, information on the activities and plans of the Company) for personal enrichment purposes.

VII. RESPONSIBILITY OF MEMBERS OF THE COMPANY'S COUNCIL

24. Members of the Council of the Company in exercising their rights and performing their duties shall act in the interests of the Company and bear responsibility to the Company in accordance with the legislation and the Company's Charter.

25. In case if several persons are liable, their liability to the Company shall be joint and several.

26. Members of the Council of the Company who did not take part in voting or voted against the decision that caused losses to the Company, shall not be liable, except in cases

stipulated by Article 90 of the Law of the Republic of Uzbekistan "On Joint Stock Companies and Protection of Shareholders' Rights".

27. The Company shall have the right to apply to a court with a claim against a member of the Board of the Company for compensation of losses caused to the Company.

VIII. PROCEDURE FOR DETERMINING THE AMOUNT OF REMUNERATION TO THE MEMBERS OF THE SUPERVISORY BOARD

28. The Management Board of the Company may be paid remuneration for the period of performance of his duties and (or) reimbursement of expenses related to the performance of the duties of a member of the Supervisory Board. The persons guilty of violating the requirements of these Regulations shall be liable in accordance with the established procedure.

29. Each member of the Public Council is paid a salary for the period of performance of his duties in the following order:

- The Chairman of the Public Council is paid 17 times the minimum wage established in the Republic of Uzbekistan for each quarter of the term of office;
- Members of the Public Council are paid 15 times the minimum wage established in the Republic of Uzbekistan for each quarter of their term of office.

30. In addition, based on the results of the annual independent evaluation of the corporate governance system, the members of the Supervisory Board may be remunerated by the decision of the Sole Shareholder.

IX. FINAL PROVISIONS

31. The department for corporate relations with shareholders of the Company shall be responsible for providing the members of the Council of the Company with the necessary materials, as well as for the relationships with the shareholder and investors.

32. The persons guilty of violating the requirements of these Regulations shall be liable in accordance with the established procedure.

33. 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.