

**REGULATIONS ON THE DIVIDEND POLICY  
OF THE JSC «O'ZTEMIRYO'LYO'LOVCHI»**

## CONTENTS:

1. GENERAL PROVISIONS.....	3
2. PROCEDURE FOR DETERMINING THE AMOUNT AND ACCRUAL OF DIVIDENDS.....	5
3. PROCEDURE AND TIME LIMIT FOR DIVIDEND PAYMENT.....	6
4. LIABILITY FOR PAYMENT OF DECLARED DIVIDENDS.....	8
5. INFORMATION DISCLOSURE PROCEDURE.....	9
6. FINAL PROVISIONS.....	9

## **1. GENERAL PROVISIONS**

1.1. These 'Regulations on the Dividend Policy of the Joint-Stock Company «O'ZTEMIRYO'LYO'LOVCHI» (hereinafter - the 'Regulations') is developed in accordance with the current legislation of the Republic of Uzbekistan, the Charter of the Joint-Stock Company «O'ZTEMIRYO'LYO'LOVCHI» (hereinafter – the 'Company '), the Code of Corporate Governance, and other internal documents of the Company.

1.2. The dividend policy of the Company is aimed at increasing the shareholders' well-being and ensuring the Company's capitalization growth. The Regulations are aimed at informing shareholders and other parties concerned about the dividend policy of the Company.

These Regulations are intended to determine the approach of the Supervisory Board of the Company to the development of recommendations on the amount of dividends on shares and the procedure for their payment.

If any issues related to the payment of dividends to shareholders of the Company are not regulated by the provisions of the Law of the Republic of Uzbekistan 'On Joint-Stock Companies and Protection of Shareholders' Rights', other regulatory legal acts of the Republic of Uzbekistan, the Charter of the Company or these Regulations, then they shall be decided on the basis of the necessity of enforcement of the rights and interests of shareholders.

1.3. The Company considers the growth of capitalization as the main way to satisfy the property interests of shareholders in the deriving of profit from the Company's shares. The dividend policy is to optimize the proportions between the consumed and capitalized parts of the profit received by the Company in order to increase the market value of shares.

1.4. The dividend policy of the Company is based on the following basic principles:

- principle of transparency, which means the determining and disclosure of information on the responsibilities and liabilities of the parties involved in the implementation of the dividend policy, including the procedure and conditions for taking the decision on the payment and amount of dividends;

- principle of timeliness, which implies setting the time limits for dividend payments;

- principle of justifiability, which implies that the decision on the payment and amount of dividends can be made only if the Company has achieved a positive financial result, taking into account its development plans and investment programs;

- principle of justness, which implies ensuring equal rights of shareholders to receive information on decisions that are taken on the payment of dividends, their amount, and payment procedure;

- principle of consistency, which implies adherence to the procedures and principles of the dividend policy;

- principle of development, which implies continuous improvement of the dividend policy in the framework of improving corporate governance procedures and revision of its provisions due to changes in the strategic aims of the Company;

- principle of steadiness, which implies the Company's seeking to ensure a stable level of dividend payments.

1.5. Making the decision on (declaration of) the payment of dividends on outstanding shares shall be the right of the Company, and is not considered its obligation. The General Meeting of Shareholders has the right to decide on non-payment of dividends on outstanding shares.

1.6. Payment of declared dividends is the responsibility of the Company.

Upon the decision of the management bodies, including the executive bodies of the Company, costs related to the payment of dividends (including expenses for the calculation and withholding of taxes, transfer of dividends, postal expenses) cannot be fixed with the shareholder receiving dividends. The Company is liable to shareholders for failure to perform this obligation in accordance with the current legislation of the Republic of Uzbekistan.

1.7. Dividends are not accrued or paid on shares, which are:

- unissued (unplaced);

- acquired and/or redeemed on the balance sheet of the Company;

- in other cases provided for by the legislation of the Republic of Uzbekistan.

1.9. The Company may not make a decision (declare) on the payment of dividends on shares:

- until all the authorized capital of the Company is paid in full;

- until all shares that are to be redeemed in accordance with Article 41 of the Law of the Republic of Uzbekistan 'On Joint-Stock Companies and Protection of Shareholders' Rights' are redeemed;

- if the Company has been qualified for insolvency (bankruptcy) on the date of such a decision, or if it is qualified for insolvency (bankruptcy) as a result of paying dividends;

- if, on the date of such a decision, the value of the Company's net assets is less than its authorized capital and reserve fund or it becomes less than their size as a result of making such a decision;

- in other cases provided for in the legislation.

## **2. PROCEDURE FOR DETERMINING THE AMOUNT AND ACCRUAL OF DIVIDENDS**

2.1. The Company has the right to take decisions on (declare) payment of dividends on outstanding shares based on the results of the first quarter, six months, nine months of a fiscal year and (or) based on the results of a fiscal year.

The decision on payment (declaration) of dividends based on the results of the first quarter, six months and nine months of a fiscal year may be taken within three months after the end of the relevant period.

The dividends of the Company shall be paid only from the Company's profit received on the results of the relevant period in accordance with the National Accounting Standards (NAS) after taxation.

2.2. The General Meeting of Shareholders of the Company decides on the payment (declaration) of dividends on shares of each class. The Supervisory Board of the Company shall submit recommendations to the General Meeting of Shareholders with regard to the amount of dividends on shares and the procedure for their payment. The amount of dividends cannot be more than that recommended by the Supervisory Board.

2.3. The decision on the payment (declaration) of dividends shall specify:

- category (class) of shares on which the dividends are paid (declared);
- amount of the dividend per one share of a certain class;
- time limit and procedure for payment of the dividends.

When dividends are paid, none of the shareholders has advantages in terms of the time limit for payment.

2.4. The amount of dividends on shares of all classes recommended to the Meeting of Shareholder shall be determined by the Supervisory Board based on the following factors:

- amount of net profit under the NAS, which remains at the disposal of the Company after taxation for the relevant period;
- financial and economic plans of the Company for subsequent periods;
- structure of the Company's working assets at the end of the relevant period;
- debt burden of the Company at the end of the relevant period.

2.5. When determining the amount of recommended dividends, the Supervisory Board should take into account the financial and economic plans of the Company for subsequent periods, and the current and prospective state of the Company's working assets and liabilities. The payment of dividends recommended by the Supervisory Board to the General Meeting of Shareholders of the Company should not make the Company raise additional debt financing or have other costs

not provided for by the approved financial and economic plan for subsequent periods.

### **3. PROCEDURE AND TIME LIMIT FOR DIVIDEND PAYMENT**

3.1. The Company pays dividends in cash or other legal means of payment or securities of the Company. Declared dividends are paid in the national currency of the Republic of Uzbekistan or, upon a written request of a non-resident shareholder of the Republic of Uzbekistan, the Company is obliged to convert the dividends accrued to him/her to the freely convertible currency, transferring the funds to a banking account submitted by the non-resident shareholder.

The time limit for payment of dividends is established by a resolution of the General Meeting of Shareholders of the Company, but it cannot exceed 60 days from the date on which the decision to pay dividends is made by the General Meeting of Shareholders.

If the holders of the securities of the Company have been unable to receive the accrued dividends within the time frame established by the General Meeting of Shareholders, the Company will continue to pay such (unclaimed) dividends. The period of payment of unclaimed dividends cannot be more than three years from the date on which the time limit for the Company's fulfillment of the obligation to pay declared dividends expires. No interest is accrued or paid on unclaimed dividends.

3.2. The organizational unit of the Company, which functions include, among other matters, organizing and carrying out work with shareholders, shall prepare, coordinate and conduct all arrangements to enable the Company to pay the dividends, provided for herein, in collaboration with the Accounting Department of the Company.

3.3. Any shareholder has the right to apply to the Company or to the Registrar with a request for information on the inclusion/non-inclusion of the shareholder in the list of persons entitled to receive dividends, as well as on the procedure for calculating dividends on shares, the procedure for accruing and taxing the amount of dividends, and the payment terms. In case the Company receives such a request, it will prepare a reply and send it to the shareholder at his/her postal address within seven working days from the receipt of the request, unless otherwise specified.

3.4. Persons included in the list compiled on the date of drawing up a list of persons entitled to participate in the General Meeting of Shareholders of the Company, at which the decision on payment (declaration) of the relevant dividends is made, shall have the right to receive dividends on the shares of the Company. In order to enable the Registrar to draw up a list of persons entitled to receive dividends, a nominee shareholder submits data on persons for whose benefit he/she

holds the shares. The date of compilation of the list of persons entitled to participate in the General Meeting of Shareholders is determined by the Supervisory Board of the Company in the course of preparation for the General Meeting of Shareholders.

3.5. After the General Meeting of Shareholders has arrived at a decision to pay dividends, the register-keeper (the Registrar) shall, by order of the Company, draw up a list of persons entitled to receive income from securities.

3.6. The list of stock owners - customers, nominee shareholders, and beneficial owners - is compiled separately and contains information on the owners of shares recorded in the accounts of nominees and beneficial owners, as well as on details for transferring dividends to them.

Responsibility for the reliability of the data submitted for its customers rests with nominee shareholders and beneficial owners.

3.7. If shares are in common ownership, the dividend will be distributed among shareholders in proportion to their stake, in accordance with the documents available to the Registrar.

3.8. Dividends can be paid to individual shareholders in cash, by bank transfer or by mail payment.

3.9. If dividends are paid in non-cash form, the individual shareholder is obliged to update its bank details in the Shareholders' Register timely and in full.

A shareholder must submit his/her bank details updated to have them included in the Register on or prior to the date on which the lists of persons entitled to participate in the General Meeting of Shareholders are drawn up. If a shareholder fails to submit his/her bank details updated, the Company shall not be liable for late payment of dividends to the shareholder.

3.10. Dividends to corporate shareholders shall be paid in non-cash form. A corporate shareholder is obliged to update its bank details in the Shareholders' Register timely and in full.

A shareholder must submit its bank details updated to have them included in the Register on or prior to the date on which the lists of persons entitled to participate in the General Meeting of Shareholders are drawn up. If a shareholder fails to submit its bank details updated, the Company shall not be liable for late payment of dividends to the shareholder.

3.11. If a shareholder has submitted incorrect bank details or address for transferring dividends, or failed to inform the Company about the specified details, or failed to inform about them in time, the Company shall not be liable for the losses incurred by the shareholder due to this. After the amounts of dividends,

transferred to the wrong address due to the fault of the shareholder for the reasons specified in this clause, have been returned to the Company, the amounts are transferred to the shareholder again, taking into account the specified details, with the deduction of the costs for their return and re-transfer.

3.12. The Company is a tax agent in paying income to shareholders on shares owned by them and makes payment of accrued dividends after deduction of income taxes established by the current legislation of the Republic of Uzbekistan with regard to yield on securities. The shareholder, to whom the standard rates of taxation should not be applied, submits supporting documents established by the current legislation of the Republic of Uzbekistan to the Company (the Paying Agent engaged by the shareholder). If information on the tax rates applied to the shareholder was received by the Company (the Paying Agent) after dividends have been paid to the shareholder, the Company (the Paying Agent) will not refund overpaid amounts of taxes.

#### **4. LIABILITY FOR PAYMENT OF DECLARED DIVIDENDS**

4.1. The Company is obliged to pay declared dividends on shares of each class.

4.2. The Executive Body (Management Board) of the Company is responsible for the full and timely payment of dividends to the Company's shareholders. The Supervisory Board of the Company in collaboration with the Audit Commission of the Company shall exercise control over the actions of the Executive Body.

4.3. In order to ensure the payment of accrued dividends, the Supervisory Board shall consider the issue of the progress of dividend payment at its meetings. In case of incomplete or untimely payment of dividends through the fault of the Executive Body of the Company, the Supervisory Board will determine the guilty persons' liability and impose appropriate sanctions or initiate their imposition.

4.4. In case the Company fails to fulfill its obligations, shareholders may demand payment of declared dividends on shares of each class in the courts.

4.5. In case of incomplete or untimely payment of dividends to shareholders who timely informed the Company's Registrar about their bank details or postal addresses and changes in them, the Company and the Registrar are liable in accordance with the current legislation.

4.6. The Company shall not be liable for non-payment (untimely payment) of declared dividends to those shareholders who did not submit their bank details, postal addresses or changes in them to the Company's Registrar in due time.

4.7. For failure to perform or improper performance of the duties of the tax agent assigned to the Company to withhold and transfer the amount of tax on dividends, the Company is liable in accordance with the legislation of the Republic of Uzbekistan.



## **5. INFORMATION DISCLOSURE PROCEDURE**

5.1. These Regulations, as well as amendments and additions introduced to it, are disclosed by the Company on the Company's website on the Internet within the time limits stipulated by the current legislation of the Republic of Uzbekistan.

5.2. Based on the results of the General Meeting of Shareholders, the Company shall disclose information in the form of statements on material facts within the time limits established by legislation.

5.3. Upon the Company's fulfillment of its obligations to pay dividends, the Company shall disclose relevant information in the form of statements of material facts within the time limits established by legislation.

## **6. FINAL PROVISIONS**

6.1. These Regulations shall be approved by the decision of the Supervisory Board of the Company by a majority of votes of its members who participated in the meeting or took part in absentee voting.

6.2. These Regulations shall be amended and added by the decision of the Supervisory Board of the Company, adopted by a majority of votes of its members who participated in the meeting or took part in absentee voting.

6.3. If individual articles of these Regulations conflict with the current legislation of the Republic of Uzbekistan and/or the Charter of the Company, the articles become invalid and, in the part of the issues regulated by these articles, it is necessary to be governed by the norms of the current legislation of the Republic of Uzbekistan and/or the Charter of the Company until appropriate amendments are made hereto.