

**REGULATIONS ON THE BOARD OF SUPERVISORY
of the joint-stock company «O'ZTEMIRYO'LYO'LOVCHI»**

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I. GENERAL PROVISIONS

1. This Regulation 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 «O'ZTEMIRYO'LYO'LOVCHI» (hereinafter - the Company), the Corporate Governance Code approved by the minutes of the meeting of the Commission for Enhancing the Efficiency of Operations Joint-stock Companies and Improvement of the Corporate Governance System dated December 31, 2015. No. 9, and 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 performs 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 BOARD

4. Competence of the Supervisory Board of the Company includes:

definition of priority lines of the Company's activity with regular hearing of the report of the Executive Body of the Company on the measures taken to achieve the development strategy of the Company;

convocation of annual and extraordinary General Meetings of shareholders, except for 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 shareholder rights";

preparation of the order of business, 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;

submitting 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 consideration by the General Meeting of Shareholders;

organization of setting 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 competition for the duty position of the Head of the Executive Body and its members, with the approval of the bidding rules of competition selection on managerial Regulations, 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;

establishment of remuneration and (or) compensation paid to the Executive Body of the Company, as well as their size limits, with consideration of conformity of these payments to the accomplishment 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 Regulation determining his operating procedures;

approval of the Company's annual business plan. In this regard, the Company's business plan for the next year should be approved at the meeting of the Company's Supervisory Board no later than December 1 of this year;

formation of an internal audit service and 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 reception of them from the Executive Body with a view 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 on conduction of an audit, including on the conduction of an external audit of the Company's financial statements complying with international financial reporting standards;

on the definition of the audit firm and the maximum amount of payment for its services;

giving recommendations on the amount of remuneration and compensation paid to members of the Company's audit committee;

giving recommendations on the amount of dividends, the form and the procedure for their payment;

usage of reserve and other funds of the Company;

creation of branches and opening of representative offices of the Company;

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 in property, the book value or purchase price of which composes from fifteen to fifty percent of the net assets of the Company as on 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 Shareholder Rights ";

making a decision on the 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 Shareholder Rights";

conclusion of transactions related to the participation of the Company in commercial and non-commercial organizations, in the manner prescribed 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 authorized fund (authorized capital) of the Company, as well as on issues related to the introduction of amendments and additions to the Company's Charter related to the increase in the authorized fund (authorized capital) of the Company and the reduction in the number of authorized shares of the Company;

approval of the resolution on the issue of securities (shares, bonds) and the issue prospectus;

introduction of amendments and / or additions to the decision on the issue of securities (shares, bonds) and the issue prospectus and approval of their text;

determination of the price of stock flotation (placing of shares on the exchange and organized over-the-counter securities market) 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 regulations on information policy;

making a decision on charitable (sponsor) or gratuitous aid amounting to more than one percent of the Company's net assets as on the date of the decision;

outsourcing on the basis of competition of an independent organization for the assessment of corporate governance in the Company;

5. In order to implement the recommendations of the Corporate Governance Code the Supervisory Board of the Company shall perform:

coordination of the activities of the Executive Body, internal control bodies of the Company, collegial bodies formed inside the Company and, if necessary, involvement of experts to organize elaboration of the Company's development plan and to monitor achievement of the goals outlined therein;

coordination of works on the development, implementation and regular assessment of the conformity of the organizational structure of the JSC to the requirements of legislation, as well as to ensure the transition to the publication of

annual financial statements in accordance with International Accounting Standards;

control over the implementation of the recommendations of the Corporate Governance Code.

6. The competence of the Supervisory Board of the Company may include resolution of other issues in accordance with the law and the Company's charter.

7. Issues comprising the competence of the Supervisory Board of the Company can not be addressed to be adjusted by decision of the Executive Body of the Company.

III. ELECTION, APPOINTMENT AND EARLY TERMINATION OF THE POWER OF THE MEMBERS OF THE SUPERVISORY BOARD

8. 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.

9. The Company Charter determines the quantitative composition of the Supervisory Board of the Company. In addition, the Company includes at least one independent member (comprising no less than 15% of the number of members of the Supervisory Board specified in its charter) to the Supervisory Board. In the case of non-nomination of an independent member of the Company, the Company shall publish the reasons of non-compliance with this recommendation of the Code.

10. The criteria for independent members of the Supervisory Board are defined in the Corporate Governance Code.

11. Persons elected to the Supervisory Board of the Company may be re-elected indefinitely.

12. The Head of the Executive Body of the Company and its members can not be elected to the Supervisory Board of the Company.

13. Persons working under a labor agreement (contract) in the Company can not be also the members of the Supervisory Board of the Company.

14. The early termination of the powers of the elected member of the Supervisory Board is carried out by decision of the General Meeting of shareholders in the event that the shareholder changes, violates his duties, presence of a corresponding statement of the Supervisory Board and other grounds.

15. Persons elected to the Supervisory Board of the Company must have a qualification certificate of the corporate manager (for companies with state shares) or a certificate of the Scientific and Educational Center for Corporate Governance.

16. Elections of members of the Supervisory Board of the Company are carried out by cumulative voting.

17. 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 to distribute them among two or more candidates.

18. Candidates with the largest number of votes are considered as being elected to the Supervisory Board.

III. CHAIRMAN OF THE SUPERVISORY BOARD

19. 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.

20. The Supervisory Board of the Company has the right to re-elect its Chairman by a majority of votes of the total number of members of the Supervisory Board.

21. The Chairman of the Supervisory Board of the Company organizes its work, convenes meetings of the Supervisory Board and presides over them, organizes the record-keeping at meetings, presides over the General Meeting of shareholders.

22. In the absence of the Chairman of the Supervisory Board of the Company, one of the members of the Supervisory Board exercises his functions.

IV. MEETING OF THE SUPERVISORY BOARD

23. The Chairman of the Supervisory Board convenes the meeting of the Supervisory Board of the Company on his own initiative, at the request of a member of the Supervisory Board, the Audit Commission, the Executive Body and the shareholders (shareholder) in total constituting owners of not less than one percent of the voting shares of the Company.

24. The meeting of the Supervisory Board of the Company is 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 annual business plan of the Company, on the measures taken to achieve the Company's development strategy, on the work done and on the achievement of the performance indicators of enterprises belonging to the Company, which have been approved by their business plans, as well as of 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.

25. The quorum for holding a meeting of the Supervisory Board of the Company shall comprise at least seventy-five percent of the number of elected members of the Supervisory Board of the Company.

26. 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 have the right to decide on the convocation of such an extraordinary General Meeting of shareholders, as well as in the event of early termination of the powers of the Chairman of the Supervisory Board to appoint an interim Chairman.

27. Decisions at the meeting of the Supervisory Board of the Company shall be made by a majority of those present, with the exception of cases specified by the Law of the Republic of Uzbekistan "On Joint Stock Companies and Protection of Shareholder Rights" and the Company's Charter. Each member of the Supervisory Board has one vote in resolving issues at a meeting of the Supervisory Board of the Company.

The Chairman of the Supervisory Board of the Company has the full voting status in the event of tie vote resulting in voting of the members of the Supervisory Board.

The decision on increasing the charter fund (capital) of the Company and on making appropriate changes to the Charter is taken by the Company's Supervisory Board by a solid vote.

28. The transfer of the vote by one member of the Company's Supervisory Board to another member of the Supervisory Board or to a third person is not allowed.

29. At the meeting of the Company's Supervisory Board, a protocol shall be kept. The minutes of the meeting of the Supervisory Board shall be compiled not later than ten days after its holding.

30. The minutes of the meeting include:

- 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.

31. The minutes of the meeting of the Company's Supervisory Board shall be signed by the members of the Supervisory Board of the Company who participated in the meeting and are responsible for the correctness of the protocol.

32. The minutes of the meeting of the Company's Supervisory Board shall be submitted for execution to the Chairman of the Company's Management Board 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 Chairman of the Management Board of the Company on the day of the meeting of the Supervisory Board.

33. A meeting of the Supervisory Board may be held by a poll, except for a meeting in which reports of the Audit Commission, internal audit services and the Executive Body are being heard. In this case, the decisions of the Supervisory Board of the Company can be made by absentee voting (by poll) by all members of the Supervisory Board unanimously.

If the technical means, means of identification of members of the Supervisory Board and other equipment are available, the meetings of the Supervisory Board can be held in the mode of video-conference communication.

V. RIGHTS AND OBLIGATIONS OF MEMBERS OF THE SUPERVISORY BOARD

34. A member of the Supervisory Board has the right:

- to personally take part in the meeting of the Supervisory Board, speak on the issue discussed at the meeting within the time allotted by the regulations;
- by 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) reimbursement of expenses for work in the Supervisory Board in manner prescribed by the legislation and internal documents of the Company;
- other rights specified by the legislation and the Charter of the Company;
- to create committees (working groups) under the Supervisory Board, related to relevant issues, including the Committee on Conflict Situations, on Audit, Personnel, etc., from among the members of the Supervisory Board, the Executive Body, personnel of the JSC and called experts (specialists of the relevant profile, the teaching staff of profile higher education institutions and others).

35. A member of the Supervisory Board is obliged:

- to inform the Company of its affiliation in the transaction by the Company by sending a written notice on the details of the proposed transaction, the material terms of the relevant agreement.
- to exercise their duties in good faith, as well as in the manner that he considers to be the best in the public interest;
- other duties stipulated by the legislation and the Charter of the Company.

36. Members of the Supervisory Board have no right to use the opportunities of the Company (property or non-property rights, business opportunities, information on activities and plans of the Company) for personal gain.

VI. LIABILITY OF THE MEMBERS OF THE SUPERVISORY BOARD

37. In exercising their rights and performing their duties, members of the Supervisory Board of the Company must act in the public interest and incur liability to the Company in accordance with the legislation and the Company's Charter.

38. In case that several persons are liable, their liability to the Company is solidary.

39. The members of the Supervisory Board who did not take part in the voting or voted against the decision that caused the loss of the Company are not liable except in cases specified in Article 90 of the Law of the Republic of Uzbekistan "On Joint Stock Companies and Protection of Shareholder Rights".

40. A Company or a shareholder (shareholders) owning in aggregate at least one percent of the Company's outstanding shares has the right to seize the court with a bill against a member of the Supervisory Board for compensation of losses caused to the Company.

VII. THE PROCEDURE FOR DETERMINING THE AMOUNT OF REMUNERATION FOR MEMBERS OF THE SUPERVISORY BOARD

41. Members of the Supervisory Board are paid remuneration on the basis of the results of an independent evaluation of the corporate governance system and financial performance of the Company.

42. The Company annually conducts an independent evaluation of the corporate governance system and financial performance of the Company.

43. Results of the independent evaluation serve as the basis for determination of the amount of remuneration paid to the Chairman and members of the Supervisory Board.

44. In accordance with the agreement with an independent organization, the results of the activities of the Supervisory Board can be recognized as being unsatisfactory, low, satisfactory and high.

45. Remuneration to members of the Supervisory Board is paid once for the year, the amount of the remuneration shall be approved by the General Meeting of shareholders and shall not comprise more than 100 minimum wages established in the Republic of Uzbekistan.

In addition, an increase factor is appointed 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.

VIII. FINAL PROVISIONS

46. The corporate consultant is responsible for providing the members of the Supervisory Board with the necessary materials, as well as for interrelation with shareholders and investors.

47. Persons guilty of violating the requirements of these Regulations are duly liable.

48. 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 the part regulated by these articles shall be determined 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 the present Regulation.