

“APPROVED”

With decision of general meeting of  
stockholders of Joint – Stock company  
“Uzmetcombine” Minutes No. 44 dated  
August 30, 2019

REGULATIONS  
ABOUT DIVIDEND POLICY  
OF JOINT –STOCK COMPANY  
“UZMETCOMBINE”

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## **I. GENERAL RULES**

1. Present Regulations about dividend policy (hereinafter referred to as “Regulations”) of joint stock company “Uzmetcombine” were worked out in accordance with acting legislation of the Republic of Uzbekistan, Charter of joint stock company “Uzmetcombine” (hereinafter referred to as “Company”), Code of corporative management, approved with minutes No. 9 of the meeting of Committee on increasing effectiveness of joint stock company’s activity and improving system of corporative management, dated 31.12.2015 and other internal documents of the Company.

General matters, which must be reflected and disclosed in dividend policy of JSC are stated in the present Regulations.

2. Dividend policy of the Company is directed to increase prosperity of stockholders and provide growth of Company’s capitalization. Purpose of regulations is to inform stockholders and other interested persons about dividend policy of the Company.

Present Regulations are intended for determining approach of Supervisory board of the Company on working out recommendations on amount of dividends on stocks and order of their payment.

If some matters, connected with payment dividends to stockholders of the Company, were not regulated with norms of Law of the Republic of Uzbekistan “About joint-stock companies and protection rights of stockholders”, other normative legal acts of the Republic of Uzbekistan, Charter of the Company and present Regulations, then they must be solved, based on necessity of providing rights and interests of stockholders.

3. Company considers growth of capitalization as main way of satisfaction property interests of stockholders on taking profits from Company stocks. Dividend policy consists of optimization proportions between used and capitalized parts of profits, taken by Company for increasing market value of stocks.
4. Dividend policy of the Company based on following main principles:

Principle of clarity which means determination and revealing information about obligations and responsibility of parts, participating in realization of dividend policy, including, order and conditions of accepting decisions about payment and amount of dividends;

Principle of contemporaneity, means fixing temporary borders during fulfillment payment of dividends;

Principle of validity, which means that decision about payment and amount of dividends may be taken only when Company reaches positive financial results, taking into account development plans and its investment programs, on the basis of real financial condition of the Company;

Principle of fairness, means providing equal rights of stockholders to receive information about taken decisions on payment, amount and order of dividend payment;

Principle of sequence means strict fulfillment of procedures and principles of dividend policy;

Principle of development, means constant updating dividend policy, within improvement of corporative management procedures and review its conditions, due to change strategic purposes of the Company;

Principle of stability means aspiration of Company for providing stable level of dividend payments.

5. Taking decision (announcing) about payment dividends on allocated stocks is right of the Company. General meeting of stockholder has right to take decision about payment or nonpayment dividends on stocks.
6. Payment of announced stocks is obligation of the Company.

Expenses, related with payment of dividends (including calculation and deduction of taxes, dividend transfer, postal expenses), shouldn't be entrusted to stockholder, received dividends, by the decision of management bodies. Company is responsible for non fulfillment of this obligation against stockholders, in accordance with acting legislation of the Republic of Uzbekistan.

7. Dividends were not calculated and paid on stocks:

Non allocated;

Purchased and / or bought by company;

And other cases, foreseen with legislation of the Republic of Uzbekistan.

8. In cases, foreseen with part one, article 34 of Law "About joint-stock companies and protection rights of stockholders", company hasn't right to pay and take decisions about payment dividends on stocks.

## **II. ORDER OF DETERMINATION AMOUNT AND CALCULATION OF DIVIDENDS**

9. Except of cases, stated in item 8, Company has right to participate (announce) about payment dividends on stocks on results of first quarter, half year, five month of financial year and (or) on results of financial year.

Decision about payment (announcing) dividends on results of first quarter, half year and nine months of financial year, may be taken during three months after finishing corresponding year.

Dividends are paid from net profit of the company, remained in the disposal of the company, and (or) non disposed profit of last years. Dividends on privileged stocks may be paid also at the expense of funds of the company, specially assigned for it.

10. General meeting of stockholders of the company takes decision about payment (announcing) dividends on stocks of each category. Supervisory board of the Company presents general meeting of stockholders recommendations on amount of dividends of stocks and order of their payment. Amount of dividends can't be more than amount, recommended by supervisory board.

11. By the decision of general meeting of stockholders about payment (announcement) dividends, followings should be determined:

Category (type) of stocks, on which dividends are paid (announced);

Amount of dividends in calculation of one stock of certain type;

Term, order and periodicity of dividend payment.

At that, company hasn't right to take decision about charging (payment) dividends, in cases, stated in the legislation, also impossibility of full payment dividends on ordinary stocks in the terms, fixed by legislation.

12. Amount of dividends on stocks, recommended to meeting of stockholders is determined by Supervisory board, based on following factors:

Amount of net profit, according to data of financial reports, which authenticity confirmed with auditing conclusion;

Financial – economic plans of the Company for next periods;

Structures of circulating assets of the company to the end of corresponding period;

Debt load of company to the end of corresponding period.

13. On determining amount of dividends, recommended to Supervisory board , it is necessary to take into account financial – economic plans of Company for the next periods, current and perspective condition of circulating assets and obligatory of the Company. Payment of dividends, recommended by supervisory board to General meeting of stockholders of the Company, shouldn't bring to attraction additional debt financing by company and other expenses, didn't foreseen with approved financial – economic plan to next years.

### III. ORDER AND TERMS OF DIVIDEND PAYMENT

14. Company pays dividends with money or other legal means of payment and securities of the Company. Announced dividends are paid in national currency of the Republic of Uzbekistan or by the written request stockholder – nonresident of the Republic of Uzbekistan, company must make convert charged him dividends to free converting currency , with transferring means to bank account, presented by stockholder – nonresident.
15. Term of dividend payment is determined by the decision of general meeting of stockholders of the company, but can't increase 60 days from the day of taking decision about payment dividends by general meeting of stockholders.
16. In case if owners of Company's securities couldn't receive charged dividends, within terms, fixed by general meeting of stockholders , company continues payment of such (unclaimed) dividends. Period of payment unclaimed dividends couldn't be more than three years, from the date of finishing term of fulfillment obligation on payment announced dividends by the Company.
17. In case of nonpayment (non receiving) dividends by the fault of company, within the terms, fixed by general meeting of stockholders, based on rate of refinancing, fixed by Central Bank of the Republic of Uzbekistan, fine will be charged on unpaid (non received) dividends. Amount of fine, charged on unpaid (not received) dividends, shouldn't increase 50 percents of sum from unpaid (non received) dividends.
18. Structural subdivisions of the Company, which have among its functions such function as organization and conducting works with stockholders, jointly with accounts department of the company, make preparations, coordination and conducting all measures on organization dividend payment by Company, foreseen with present Regulations.
19. Any stockholder have right to apply to the company with requirement to present information about order of calculation stock dividends, order of charge and taxation sum of dividends, about conditions of payment.
20. Persons, fixed in the register of company's stockholders, formed for conducting general meeting of stockholders, in which was taken decision about payment to stockholders dividends have right to receive stock dividends.
21. Stockholder must inform investment agent and / or Central depositary of securities, provided services on registering rights to his stocks, about changes in his data in proper time. In case of non presenting by stockholder information about change of his data, Central depositary and / or investment agent, provided services on registering rights to his stocks, doesn't bear any responsibility for losses, caused to stockholder due to that.
22. In case if stockholder incorrectly showed his bank requisites or address for transferring dividends, or didn't inform Company about stated requisites, or didn't inform about that in proper time, company doesn't bear any responsibility for losses, inflicted to stockholder due to that. After returning to the company wrongly transferred sums of dividends, by guilt of stockholder, and reasons, stated in the present item, its repeated transfer to stockholder, on correct requisites is made with deduction of expenses for their return and repeated transfer.
23. Company is tax agent on paying profits to stockholders on belonged to them stocks and pays charged dividends, with deduction of taxes for receiving profits on securities, fixed by acting legislation of the Republic of Uzbekistan. Stockholder, to whom standard rates of taxation

shouldn't be applied, must present confirming documents, fixed by acting legislation of the Republic of Uzbekistan to the Company (attracted by him Payment agent).

#### **IV. RESPONSIBILITY FOR PAYMENT ANNOUNCED DIVIDENDS**

- 24. Company must pay announced dividends on stocks of each type.
- 25. On paying dividends, none of stockholders have privileges on payment terms.

Payment of charged dividends on ordinary stocks is fulfilled with observing equal rights of stockholders for receiving dividends by the company. At that company hasn't right to pay dividends to principal shareholder, if as a result of it couldn't provide payment dividends to minority stockholders in the determined term.

- 26. Executive body of the company is responsible for full and timely payment of dividends to stockholders of the company. Control over actions of executive body is conducted by supervisory board of the Company jointly with inspection commission of the Company.
- 27. For providing payment of charged dividends, supervisory board views in his meetings matter of dividend payment progress. In case of incomplete or untimely payment of dividends by the guilt of executive body of the company, supervisory board determines measures of responsibility of guilty persons and imposes corresponding sanctions or initiates their impose.
- 28. In case of non fulfillment by the Company own obligations, stockholders have right to require payment of announced dividends on stocks of each type in court order.
- 29. For non fulfillment or improper fulfillment of obligations of tax agent on deduction and transfer tax sums from dividends, entrusted to company, company is responsible for conformity to legislation of the Republic of Uzbekistan.

#### **V. ORDER OF INFORMATION DISCLOSURE**

- 30. Present Regulation, changes and additions, entered to it, will be disclosed by the company in its corporative web-site in Internet, during ten days after signing minutes of meeting of company's management body, in which was taken correspondence decision.
- 31. On taking decision about payment of dividends, by general meeting of stockholders, company discloses information in the form of statement about considerable facts, in the terms, fixed by legislation.
- 32. On fact of fulfillment by the company own obligations on payment of dividends, Company discloses corresponding information in the form of information about considerable facts in the terms, fixed by legislation.

#### **VI. FINAL RULES**

- 33. Present Regulations, also, changes and additions to it, are approved by decision of general meeting of stockholders.
- 34. Changes and additions to present Regulations, are entered by offer of the members of Company's supervisory board, inspection commission of the Company, internal audit service of the Company and head of executive body of the Company.
- 35. If separate articles of present Regulations contradict to acting legislation of the Republic of Uzbekistan and /or Charter of the Company, these articles lose their force, and on matters regulated with these articles, it is necessary to follow norms of acting legislation of the Republic of Uzbekistan and / or Charter of the Company till the moment of entering corresponding changes to present Regulations.