

**«Approved»**  
**by decision of the supervisory board**  
**JSC « UZMETKOMBINAT »**  
**on «\_\_\_\_\_» \_\_\_\_\_ 2022 y.**

**REGULATION**  
**ON THE COMMITTEE FOR SUSTAINABLE DEVELOPMENT**  
**OF THE SUPERVISORY BOARD**  
**OF JOIN-STOCK COMPANY**  
**“UZMETKOMBINAT”**

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## 1. GENERAL PROVISIONS

- 1.1 This Regulation on the Committee of the Supervisory Board of JSC Uzmetkombinat (hereinafter referred to as the "Company") for Sustainable Development (hereinafter referred to as the "Regulation") is the main document regulating the activities of the Committee of the Supervisory Board of the Company (hereinafter referred to as the "Supervisory Board") for Sustainable Development (hereinafter referred to as the "Committee") and defining its functions, structure and procedure for forming its composition, etc.
- 1.2 Sustainable development means development that meets the needs of the present without compromising the ability of future generations to meet their own needs, through an integrated management approach aimed at creating and enhancing long-term economic, social and environmental benefits.
- 1.3 The Committee is a consultative and advisory body created with the purpose of providing effective support to the Supervisory Board in the area of sustainable development and ensuring the development process of this area in the Company, including the issue of developing a long-term development strategy for the Company in the area of sustainable development, environmental, social and governance issues (ESG).
- 1.4 In its activities, the Committee is guided by the current legislation of the Republic of Uzbekistan, the Charter of the Company (hereinafter referred to as the "Charter"), the Regulation on the Supervisory Board, the Regulation on the Committees of the Supervisory Board, the Corporate Governance Code, this Regulation and other internal documents of the Company, taking into account those changes and additions that may be made to each of the above-mentioned documents.
- 1.5 When making decisions, the Committee relies on a comprehensive and impartial study of documents, analytical materials and recommendations prepared by the management and control bodies of the Company, the auditor of the Company, as well as experts and professional consultants involved by decision of the Committee and the executive body of the Company in accordance with these Regulations.
- 1.6 The Committee is not a separate body of the Company and cannot act in relations with third parties on behalf of the Company.
- 1.7 The Committee may not impose legal obligations on the Company. The Committee's decisions are advisory in nature to the Supervisory Board. The Committee is not responsible for the consequences of decisions taken by the Supervisory Board.
- 1.8 In its activities, the Committee is fully accountable to the Supervisory Board.

## 2. FUNCTIONS AND COMPETENCES OF THE COMMITTEE

- 2.1 The main functions of the Committee are:

- Preparation of recommendations to the Supervisory Board on defining strategic goals aimed at the development of the Company in the long term in the area of sustainable development of the Company, including environmental, social and governance issues of the Company (ESG issues).

## *2.2 In terms of integrating the principles of sustainable development into the Company's activities*

- Review of draft policies, regulations, standards and initiatives aimed at the effective and high-quality implementation of sustainable development principles in the Company's activities and, if necessary, preparation of proposals for the Supervisory Board for their improvement.

## *2.3 In terms of the formation and implementation of the strategy in the field of sustainable development*

- Monitoring the implementation of the Company's strategy in the field of sustainable development. Providing the Supervisory Board with recommendations on improving the efficiency and quality of the formation and implementation of the strategy in the field of sustainable development, as well as conclusions on assessing the efficiency and quality of the formation and implementation of key projects in the field of sustainable development.

## *2.4 Evaluation of the effectiveness of the Company's activities in the field of sustainable development*

- Review of management reports on the results of monitoring the Company's key business processes for compliance with the principles and obligations assumed by the Company in the area of sustainable development;
- Consideration of cases of significant deviations in the Company's activities from the approved target indicators of efficiency and quality of the strategy in the field of sustainable development, as well as from the principles and commitments adopted by the Company in the field of sustainable development, monitoring the implementation of corrective measures for significant deviations;
- Monitoring the quality and effectiveness of the implementation of significant changes to approved strategies, goals, programs, projects and other significant initiatives in the field of sustainable development.

## *2.5 In terms of risk management and internal control in the area of sustainable development*

- Consideration of significant risks in the area of sustainable development and plans to minimize the negative consequences of these risks;
- Consideration of issues related to significant accidents and incidents for subsequent analysis and adoption of measures to prevent the recurrence of such cases.

## *2.6 In terms of the Company's internal reporting and disclosure of information on sustainable development*

- Review, analysis and preparation of recommendations for the Supervisory Board based on the results of reviewing management reports on the effectiveness and quality of the formation and implementation of the Company's strategies in the field of sustainable development, on the implementation of regulatory and legislative acts, the requirements of standards and associations in the field of sustainable development, as well as on the timeliness of allocation and sufficiency of the necessary resources for the implementation of the Company's strategy in the field of sustainable development;
- Review of management reports on the effectiveness and quality of the risk management and internal control system in the area of sustainable development, on the effectiveness and quality of systemic measures to respond to emergencies and incidents in the area of sustainable development;
- Preparation of recommendations for the Supervisory Board based on the results of review of the Annual Report, the Sustainable Development Report and other public non-financial reports of the Company in the field of sustainable development;
- Initiation of a comparative analysis of the Company's performance in the field of sustainable development with the best global practices, consideration of the results of such analysis;
- Initiation of monitoring the quality and completeness of public reporting for external stakeholders in terms of sustainable development; consideration, assessment and preparation of recommendations for approval by the Supervisory Board of the Sustainable Development Report.

#### *2.7 In terms of external audit of the Company's reporting and activities in the field of sustainable development*

- Coordination of the selection and appointment of an external auditor to audit the Company's Sustainable Development Report, other public non-financial reports of the Company, as well as the Company's activities in the field of sustainable development that require verification and audit;
- Consideration and approval of plans for conducting independent audits and assessments of the Company's activities in the field of sustainable development;
- Consideration of the conclusions of external experts and auditors based on the results of the analysis of the Company's public non-financial reports, including, but not limited to, the Sustainable Development Report; the Company's activities in the field of sustainable development; management comments on the relevant conclusions.

#### *2.8 Other functions of the Committee*

- Regularly informing the Supervisory Board in the manner prescribed by this Regulation about issues discussed at the Committee meetings;
- Providing the Supervisory Board with an annual report on the results of the Committee's work;
- Initiation of an analysis of the compliance of the Company's practices and internal documents with the requirements of ESG agencies and organization of work to maintain and improve the Company's position in ESG assessments (ratings).

#### *2.9 The Committee has the right:*

- request and receive, in accordance with the existing procedure, any information necessary for the implementation of its activities from members of the executive bodies, the corporate secretary, heads of the structural divisions of the Company, as well as other employees of the Company;
- if necessary, invite persons from other Committees, members of the Supervisory Board, members of the executive body, as well as experts and consultants to meetings;
- make proposals for amendments and additions to this Regulation;

### 3. COMPOSITION AND FORMATION OF THE COMMITTEE

- 3.1 The Committee is elected from the members of the Supervisory Board in the composition of not less than 3 (three) and not more than 7 (seven) people at a meeting of the Supervisory Board. Candidates for election to the Committee are nominated by members of the Supervisory Board and elected by a majority of votes of the members participating in the meeting of the Supervisory Board. Each member of the Supervisory Board has the right to propose no more than 3 (three) candidates for membership in the Committee.
- 3.2 The activities of the Committee are managed by the Chairman of the Committee, who is appointed to and dismissed from the position by decision of the Supervisory Board.
- 3.3 When electing the Chairman and members of the Committee, the presence of higher education must be taken into account.
- 3.4 The term of office of the Committee members shall not exceed the term of office of the Supervisory Board.
- 3.5 The members of the Committee shall be elected in accordance with the terms of this Regulation for a period until a new meeting of the Supervisory Board, elected in a new composition, is held.
- 3.6 The Supervisory Board, on the basis of its decision, has the right to terminate the powers of any member of the Committee or the entire composition of the Committee at any time.
- 3.7 If the number of members of the Committee becomes less than half of the elected members, the Chairman of the Supervisory Board is obliged to convene an extraordinary meeting of the Supervisory Board to elect members of the Committee or include the issue of electing members of the Committee in the agenda of the next scheduled meeting of the Supervisory Board.
- 3.8 Committee members may be elected an unlimited number of times.

### 4. CHAIRMAN OF THE COMMITTEE

- 4.1 The Chairman of the Committee is appointed by the Supervisory Board from among the members of the Committee simultaneously with the adoption of the decision on the formation of the Committee and/or the election/re-election of its members.
- 4.2 The Chairman of the Committee must meet the following requirements:

- is not an official or employee of the Company at the time of election and during the 1 year preceding the election;
- is not an official of another business entity in which any of the officials of that entity is a member of the remuneration and nomination committee;
- is not a spouse, parent, son (daughter), brother or sister of the Company's officials.

#### 4.3 Chairman of the Committee:

- determines priorities in the activities of the Committee;
- establishes the procedure for the work of the Committee;
- distributes responsibilities among the members of the Committee;
- approves the agenda of the Committee meetings;
- convenes meetings of the Committee and presides over them;
- determines the list of persons invited to participate in the Committee meeting;
- promotes open and constructive discussion of agenda items and the development of agreed conclusions and recommendations;
- organizes the keeping of minutes of the Committee meetings and signs the minutes of the Committee meetings;
- represents the Committee in interaction with the Supervisory Board, other Committees of the Supervisory Board, executive bodies, heads of departments and other employees;
- signs requests, letters and documents on behalf of the Committee;
- also performs other functions that are provided for by current legislation, the Charter of the Company, these Regulations and other internal documents of the Company.

## 5. TIMES AND PROCEDURE FOR CONVENING REGULAR MEETINGS OF THE COMMITTEE

- 5.1 Each first meeting of the Committee of the new composition shall be held no later than 30 (thirty) working days from the date of the first meeting of the Supervisory Board of the new composition, at which the members and the Chairman of the Committee were elected.
- 5.2 The decision to convene the next meeting of the Committee, the date, time and place of the meeting and the agenda items, as well as the decision on the list of persons invited to participate in the meeting, is taken by the Chairman of the Committee in accordance with the plan for holding regular meetings of the Committee.
- 5.3 The decision to convene an extraordinary meeting of the Committee, the date, time and place of the meeting and the agenda items, as well as the decision on the list of persons invited to participate in the

meeting, is taken by the Chairman of the Committee based on proposals from the persons specified in paragraph 6.1 of these Regulations.

5.4 The notification of the Committee meeting shall be drawn up by the Chairman of the Committee and sent to the persons participating in the meeting. The notification shall contain:

- information on the date, time and place of the meeting (date of receipt of completed questionnaires from members of the Committee in the case of absentee voting);
- the form of the meeting (joint presence or absentee voting);
- agenda of the meeting.

5.5 The specifics of convening an extraordinary meeting of the Committee are specified in Article 6 of this Regulation.

## 6. EXTRAORDINARY MEETING OF THE COMMITTEE

6.1 An extraordinary meeting of the Committee is held by decision of the Chairman of the Committee, at the request of any member of the Committee, the Supervisory Board, members of the executive body.

6.2 Persons who, in accordance with paragraph 6.1 of these Regulations, have the right to demand the convening of an extraordinary meeting of the Committee, shall send a request to the Chairman of the Committee to convene a meeting no later than 10 (ten) working days before the proposed date of the extraordinary meeting of the Committee. Such a request must necessarily contain:

- name (full name) of the initiator of the convocation;
- the formulation of questions submitted for consideration would be the Committee, indicating the reasons for the submission;
- materials and/or documents necessary for consideration of the issue;
- the proposed date of the committee meeting;
- the wording of the draft decision of the Committee on this issue in the event of a convening of an in absentia meeting of the Committee.

6.3 Within 5 (five) days from the date of the request to convene an extraordinary meeting, the Chairman of the Committee shall make a decision to hold an extraordinary meeting of the Committee, set the date, time and place of the meeting or the date of absentee voting, or to refuse to convene an extraordinary meeting of the Committee. A reasoned decision to refuse to convene an extraordinary meeting of the Committee shall be sent to the person or body of the Company requesting the convening of such a meeting within 2 (two) working days from the date the Chairman of the Committee makes a decision to refuse to convene the meeting.

6.4 The decision of the Chairman of the Committee to refuse to convene an extraordinary meeting of the Committee may be taken in the following cases:



- the issue proposed for inclusion in the agenda of the Committee meeting is not referred to the competence of the Committee by this Regulation;
- the issue proposed for inclusion in the agenda of the Committee meeting has already been included in the agenda of the next regular meeting convened in accordance with the decision of the Chairman of the Committee taken prior to receipt of the above-mentioned request, provided that such regular meeting is held within 30 (thirty) days from the date of the request for convening an extraordinary meeting of the Committee;
- the procedure for submitting requests for convening a meeting established by this Regulation has not been observed.

## 7. PROCEDURE FOR CONDUCTING COMMITTEE MEETINGS

- 7.1 The Chairman of the Committee shall preside over the meetings of the Committee. In the event of his absence from the meeting, the members of the Committee shall elect a chairperson of the meeting from among the members of the Committee present.
- 7.2 Committee meetings may be held in the form of joint presence of Committee members (face-to-face meeting) or in the form of absentee voting.
- 7.3 The Committee members and invited persons shall participate in the in-person meeting of the Committee. The Committee may hold joint meetings with other committees of the Supervisory Board, committees of the Supervisory Board of subsidiaries.
- 7.4 Members of the Supervisory Board who are not members of the Committee have the right to participate in an in-person meeting of the Committee upon agreement with the Chairman of the Committee..
- 7.5 The Committee may, at the discretion of the Chairman, hold meetings via videoconference or telephone. The Chairman may request the Committee to make a decision on the documents under consideration by exchanging messages via e-mail, fax and letters.
- 7.6 A Committee meeting is considered valid (has a quorum) if at least 1/2 (half) of the total number of elected members of the Committee participate in it. In the absence of a quorum for holding a Committee meeting, a repeat meeting of the Committee must be held.
- 7.7 The chairperson of the in-person meeting informs those present that there is a quorum for holding the Committee meeting and announces the agenda of the meeting.

## 8. PROCEDURE FOR MAKING DECISIONS BY THE COMMITTEE

- 8.1 When deciding issues, each member of the Committee has one vote.
- 8.2 The transfer of voting rights by a member of the Committee to other persons, including other members of the Committee, is not permitted.
- 8.3 Decisions of the Committee are taken by a simple majority of votes of the members of the Committee who took part in the meeting. When determining the results of voting at meetings of the Committee

held in the form of joint presence, the written opinions of the members of the Committee who are absent from the meeting are taken into account.

- 8.4 The Committee makes decisions by a majority vote of the Committee members participating in the meeting. In the event of a tie in votes for different decisions, the vote of the Committee Chairman is decisive.
- 8.5 Any member of the Committee has the right to express his/her dissenting opinion, which is attached to the minutes of the Committee meeting.

## 9. PROTOCOL OF THE COMMITTEE MEETING

- 9.1 No later than 5 (five) working days after the Committee meeting, one of the Committee members shall draw up the minutes of the Committee meeting in 1 (one) copy.
- 9.2 The minutes of the Committee meeting are signed by the Chairperson of the meeting and the members of the Committee. The minutes or extracts from the minutes on the agenda items of the Supervisory Board meeting are sent to the Supervisory Board by the Committee member who prepared the minutes within 1 (one) working day after signing, along with the materials and recommendations prepared for him. All members of the Committee are sent copies of the minutes, prepared materials and recommendations.
- 9.3 The Chairperson and members of the Committee are responsible for the correct preparation of the Protocol. The member of the Committee who prepared the Protocol is responsible for the storage of the Protocol, questionnaires, materials and recommendations of the Committee.
- 9.4 The protocols of the Committee meeting shall indicate:
  - date, place and time of the meeting (date of the absentee voting);
  - the form of the meeting (joint presence or absentee voting);
  - a list of the members of the Committee who took part in the meeting, as well as other persons present at the meeting;
  - agenda;
  - proposals from committee members on agenda items;
  - questions put to a vote and the results of voting on them, indicating the nature of the vote of each member of the Committee;
  - decisions taken.

## 10. INTERACTION WITH SOCIETY BODIES AND OTHER PERSONS

- 10.1 To ensure effective work, members of the Committee must have access to the necessary information. The General Director of the Company and heads of structural divisions, at the request of the Committee, are obliged to provide the Chairman of the Committee with complete and reliable information and documents on issues related to the subject of the Committee's activities within the reasonable timeframes established by it and in accordance with the existing internal procedure.
- 10.2 If necessary, in agreement with the Supervisory Board, experts and specialists with the necessary professional knowledge to consider individual issues within the scope of the Committee's activities may be involved in the work of the Committee.

## 11. RESPONSIBILITIES OF COMMITTEE MEMBERS

- 11.1 The members of the Committee are obliged:
- participate in the Committee meetings and take an active part in the discussion of agenda items;
  - study documents and information provided before and during Committee meetings;
  - inform the Chairman of the Committee of any interest in the resolution of an issue submitted to the Committee for consideration, and refrain from participating in voting on such issues;
  - avoid actions that may compromise the competence of the Committee or call into question the professionalism of its members; - comply with the local regulations of the Society;
  - carry out its activities in good faith and reasonably in the interests of the Company;
  - devote sufficient time to effectively perform his/her duties as a member of the Committee;
  - ensure the confidentiality of information that becomes known or available as a result of work in the Committee.

## 12. INVOLVEMENT OF CONSULTANTS IN THE WORK OF THE COMMITTEE

- 12.1 In order to properly, timely and most effectively perform its functions, the Committee has the right to receive consultations and opinions from external independent consultants, including but not limited to experts, representatives of the scientific community, attracted by the Society at the request of the Committee (hereinafter referred to as "Consultants"). Any of its members may propose candidates for Consultants to the Committee.
- 12.2 Consultants invited to participate in the Committee meeting do not have the right to vote when the Committee makes decisions.

- 12.3 If the Committee decides to engage Consultants, the Chairman of the Committee shall send a written statement to the General Director of the Company, who shall arrange for the conclusion of an agreement with the Consultant specified in such statement in accordance with the procedure for concluding agreements in force in the Company.
- 12.4 Consultants are required to enter into appropriate confidentiality agreements with the Company.

### 13. INTERACTION OF THE COMMITTEE WITH THE MANAGEMENT AND CONTROL BODIES OF THE COMPANY AND ITS STRUCTURAL DIVISIONS. EVALUATION OF THE COMMITTEE'S ACTIVITIES.

- 13.1 The Committee, represented by its Chairman, may directly interact with the Supervisory Board, members of the executive body (including the General Director of the Company), the Chairman of the Audit Commission, the Company's auditor, heads of services and structural divisions of the Company.
- 13.2 If necessary, in agreement with the General Director of the Company, employees of the Company's structural divisions with the appropriate experience and qualifications may be involved in the work of the Committee to assist it.
- 13.3 The members of the Committee must have access to the information and materials necessary for them to consider issues within the competence of the Committee. A request for the provision of information and documents necessary for the members of the Committee is made out in the name of the General Director of the Company and signed by the Chairman of the Committee.

### 14. INSIDER INFORMATION

- 14.1 Members of the Committee are obliged to use insider, confidential and other information that may have a significant impact on the activities of the Company and the value of its securities, in the interests of the Company in accordance with current legislation, the Charter of the Company, and other internal documents of the Company.

### 15. FINAL PROVISIONS

- 15.1 This Regulation, as well as all amendments and additions to it, shall be approved by the Supervisory Board.
- 15.2 All issues not regulated by these Regulations are regulated by the Company Charter, the Corporate Governance Code, the Regulation on the Supervisory Board, the Regulation on the Supervisory Board Committees, other internal documents of the Company and current legislation.
- 15.3 The Committee shall annually consider the need to amend this Regulation.
- 15.4 If, as a result of changes in the legislation and regulatory acts of the Republic of Uzbekistan, individual articles of this Regulation come into conflict with them, these articles shall lose force and until changes are made to this Regulation, members of the Committee shall be guided by the current legislation of the Republic of Uzbekistan.

