

**"APPROVED"**

by the decision of the Supervisory Board  
of JSC "Uzmetkombinat"  
(protocol \_\_\_\_ dated \_\_\_\_\_2021)

**REGULATION**  
**on the Remuneration and Appointments Committee of**  
**the Supervisory Board of JSC "Uzmetkombinat"**

c. \_\_\_\_\_ - 2021 y.

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## **1. General Provisions**

1.1. This Regulation on the Remuneration and Rewarding Committee of the Supervisory Board of “Uzmetplant” Joint Stock Company (hereinafter referred to as the “Regulation”) has been developed in accordance with the legislation of the Republic of Uzbekistan, the Regulation on the Supervisory Board of “Uzmetkombinat” Joint Stock Company (hereinafter referred to as the “Company”), taking into account the provisions of the Corporate Governance Code.

1.2. The Remuneration and Award Committee of the Supervisory Board of the Company (hereinafter referred to as the “Committee”) was created in order to develop an effective and transparent practice of remuneration of members of the management bodies of the Company, as well as to strengthen the professional composition and improve the efficiency of the Supervisory Board of the Company (hereinafter referred to as the “Supervisory Board”).

1.3. The Regulation defines the status and competence of the Committee, the rights and obligations of the Committee (members of the Committee), the composition of the Committee and the procedure for its formation, work and interaction with the management bodies of the Company.

1.4. All proposals developed by the Committee are recommendations that are submitted to the Supervisory Board for consideration.

1.5. In its activities, the Committee is guided by the legislation of the Republic of Uzbekistan, the Regulation of the Company, the Corporate Governance Code, the Regulation on the Supervisory Board of JSC “Uzmetplant”, decisions of the Supervisory Board and other internal regulations of the Company approved by the general meeting of shareholders and the Supervisory Board, as well as decisions of the Committee.

1.6. Terms used but not defined in these Regulations are used in the sense in which they are used in the Regulation of the Company and the Regulation on the Supervisory Board of JSC “Uzmetplant”, and other internal regulatory acts of the Company.

## **2. Functions of the Committee**

The main functions of the Committee are:

a) development and periodic review of the Company’s policy on remuneration of members of the Supervisory Board, corporate consultant, head and members of the executive body of the Company, supervision of its implementation and implementation;

b) preliminary assessment of the work of the executive body of the Company based on the results of the year;

v) development of conditions for early termination of employment contracts with the head and members of the executive body of the Company;

g) supervision of the disclosure of information on the ownership of shares of the Company by members of the Supervisory Board, as well as members of the Governance Board and other key management employees, in the annual report and on the corporate website of the Company on the Internet.

d) annual assessment of the performance of the Supervisory Board and its members, identification of priority areas for strengthening the composition of the Supervisory Board of the Company, development of recommendations to the Supervisory Board regarding the improvement of the procedures for the work of the Supervisory Board and its committees, preparation of a report on the results of the assessment for inclusion in the annual report of the Company;

e) assessment of the composition of the Supervisory Board in terms of professional specialization, experience of independence and involvement of its members in the work of the Supervisory Board, identification of priority areas for strengthening the composition of the Supervisory Board;

j) interaction with shareholders in order to form the composition of the Supervisory Board that most fully meets the goals and objectives of the Company;

z) analysis of the professional qualifications and independence of all candidates appointed to the Supervisory Board, based on all information available to the Committee. Formulation of recommendations to shareholders regarding voting on the issue of electing candidates to the Supervisory Board of the Company;

i) planning personnel appointments, including taking into account the continuity of activities, the head and members of the executive body of the executive body, the formation of recommendations to the Supervisory Board regarding candidates for the position of members of the executive body of the Company.

### **3. Rights and responsibilities of the committee**

3.1. To implement the functions specified in clause 2 of the Charter, the Committee has the right to:

3.1.1. request and receive documents, reports, explanations and other information from executive bodies, heads of structural divisions and other officials of the Company;

3.1.2. hear reports on the implementation of the Committee's recommendations and submit to the Supervisory Board an assessment of the executive body's performance in implementing the Committee's recommendations;

3.1.3. invite managers and other officials of the Company to their meetings;

3.1.4. use the services of external experts and consultants;

3.1.5. to bring to the attention of the Supervisory Board recommendations on issues that, in the opinion of the Committee, require action by the Supervisory Board;

3.1.6. to evaluate this Regulation and submit proposals for amendments/additions to the Regulation to the Supervisory Board for consideration.

3.2. The members of the Committee are obliged:

3.2.1. carry out the functions assigned to the Committee in accordance with these Regulations, the requirements of the legislation of the Republic of Uzbekistan, the Regulation and internal documents of the Company;

3.2.2. participate in the work of the Committee and attend all its meetings. If it is impossible to participate in a meeting of the Committee, notify the Chairman of the Committee in advance;

3.2.3. participate in the preparation of the Committee's work plan;

3.2.4. inform the Supervisory Board of any changes in their status or the emergence of a conflict of interest in connection with decisions to be taken by the Committee;

3.2.5. immediately notify the Chairman of the Committee in writing of any personal, commercial or other interest (direct or indirect) in the Committee making any decision;

3.2.6. comply with restrictions on the use of insider information established by applicable legislation and the Company's internal regulations;

3.2.7. not to disclose confidential or other official information that has become known to a member of the Committee in connection with the performance of relevant duties, and also not to use it in their own interests or the interests of third parties, both during the period of performing the duties of a member of the Committee and for 3 years after completion of work in the Company;

3.2.8. comply with all rules and procedures stipulated by the internal documents of the Company and related to the security regime and safety of the Company's confidential information;

3.2.9. to observe general ethical principles and standards of conduct;

3.2.10. conduct an annual assessment of its own activities and inform the Supervisory Board of the results of this assessment;

3.2.11. report on their work to the Supervisory Board at least once a year.

#### **4. The procedure for election and composition of the committee**

4.1. The Committee is elected from among the members of the Supervisory Board consisting of 3 (three) people. The decision to elect members of the Committee is made by the Supervisory Board by a majority of votes of the members of the Supervisory Board participating in the voting.

4.2. The members of the Committee are elected for a term until the election of the next composition of the Supervisory Board of the Company by the annual general meeting of shareholders of the Company. Candidates for membership in the Committee must have higher education and work experience in the relevant fields.

4.3. Committee members may be elected an unlimited number of times.

4.4. By decision of the Supervisory Board of the Company, adopted by a simple majority of votes of the members of the Supervisory Board participating in the voting, the powers of all or part of the members of the Audit Committee may be terminated early.

4.5. The powers of a Committee member are terminated early in the following cases:

4.5.1. voluntary resignation. A member of the Committee has the right to resign from his/her powers as a member of the Committee by notifying the Chairman of the Supervisory Board and the Chairman of the Committee by sending a corresponding statement 1 (one) month prior to the date of resignation;

4.5.2. if the powers of a member of the Committee as a member of the Supervisory Board of the Company are terminated;

4.5.3. if the Supervisory Board of the Company by its decision relieves a member of the Committee from performing his duties.

4.6. In the event that the powers of a Committee member are terminated by virtue of paragraph 4.5.1 of this Regulation, the Supervisory Board of the Company shall, at the next meeting, but no later than 1 (one) month from the date of sending by the said Committee member a written statement on the resignation of powers as a Committee member, elect a new Committee member. Until that moment, the Committee member shall continue to perform his/her duties in full.

#### **5. Chairman and Secretary of the Committee**

5.1. The Chairman of the Committee is elected by the members of the Committee. The Committee may also elect a Deputy Chairman of the Committee, who shall perform the functions of the Chairman of the Committee, as provided for by the Charter, during his/her absence.

5.2. The members of the Committee have the right to re-elect the Chairman of the Committee and/or the Deputy Chairman of the Committee at any time.

5.3. The decision to elect (re-elect) the Chairman of the Committee and the Deputy Chairman of the Committee is taken by a simple majority of votes of the members participating in the voting.

### 5.3. Functions of the Chairman of the Committee:

5.3.1. initiates and convenes meetings of the Committee and chairs them;

5.3.2. approves the agenda of the Committee meetings;

5.3.3. organizes the discussion of issues at the Committee meetings, as well as hearing the opinions of persons invited to participate in the meeting;

5.3.4. distributes responsibilities among the members of the Committee;

5.3.5. develops a work plan for the Committee for the current year, taking into account the work plan of the Supervisory Board of the Company;

5.3.6. performs other functions that are provided for by the current legislation of the Republic of Uzbekistan, the Regulation of the Company, this Regulation and other internal regulatory acts of the Company.

5.4. The functions of the Secretary of the Committee are performed by the Corporate Consultant of the Company (hereinafter referred to as the “Secretary”). The Secretary ensures the preparation of the Committee meetings, the collection and systematization of materials for the meetings, the timely sending of notifications to the members of the Committee and invited persons about the holding of the Committee meetings, the agenda of the meetings, materials on the agenda items, the recording of the meetings, the preparation of draft decisions of the Committee, as well as the subsequent storage of all relevant materials. The Secretary ensures that the members of the Committee receive the necessary information.

## **6. Dates and procedure for convening regular meetings of the committee**

6.1. Regular meetings of the Committee are held according to the plan approved by the Committee, but not less than 4 (four) times a year.

6.2. 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.

6.3. Notification of the Committee meetings, together with the agenda, must be prepared by the Secretary and sent to the Committee members no later than 3 (three) working days prior to the day of the Committee meeting.

6.4. The preparation of the Committee meeting is carried out by the Secretary under the supervision of the Chairman of the Committee.

## **7. Extraordinary meeting of the committee**

7.1. Extraordinary meetings of the Committee are convened by decision of the Board of Directors, as well as at the suggestion of the Head of the executive body of the Company.

7.2. Proposals to convene an extraordinary meeting of the Committee shall be sent to the Secretary no later than 15 (fifteen) working days prior to the proposed date of the extraordinary meeting of the Committee.

The Secretary shall bring the said proposals to the attention of the Chairman of the Committee no later than the next day after its receipt.

7.3. Within 5 (five) working days from the date of receipt of a proposal to convene an extraordinary meeting of the Committee from the Chairman of the Board of the Company, 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 the meeting within 2 (two) working days from the date of the Chairman's decision to refuse to convene the meeting.

7.4. 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:

7.4.1. the issue(s) proposed for inclusion in the agenda of the Committee meeting are not referred to its competence by this Regulation;

7.4.2. the agenda item contained in the proposal to convene an extraordinary meeting of the Committee 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 proposal;

7.4.3. the procedure for submitting proposals to convene a meeting of the Committee established by this Regulation has not been observed.

7.5. In the event of a request by the Chairman of the Supervisory Board of the Company to convene an extraordinary meeting of the Committee, the Chairman of the Committee is obliged to convene an extraordinary meeting within 5 (five) working days.

## **8. Procedure for holding committee meetings**

8.1. A Committee meeting is considered competent (has a quorum) if more than half of the total number of Committee members participate in it. The presence of a quorum is determined by the Chairman of the Committee at the opening of the meeting. In the absence of a quorum for holding a Committee meeting, a repeat meeting of the Committee must be held within 5 (five) working days with the same agenda.

8.2. The Committee meetings may be held in the form of joint presence of the Committee members or in the form of absentee voting in the manner prescribed by the Regulation on the Supervisory Board of JSC "Uzmetplant".

8.3. Persons who are not members of the Committee may attend the Committee meetings at the invitation of the Chairman of the Committee. The said persons shall not participate in voting on the agenda items of the Committee meeting.

## **9. Procedure for making decisions by the committee**

9.1. When deciding issues, each member of the Committee has one vote.

9.2. The transfer of voting rights by a Committee member to another person is not permitted.

9.3. The decisions of the Committee are taken by a simple majority of votes from the total number of all members of the Committee. In case of a tie, the vote of the Chairman of the Committee (but not the Deputy Chairman of the Committee) is decisive.

## **10. Minutes of the committee meeting**

10.1. No later than 5 (five) working days after the Committee meeting is held in the form of joint presence of the Committee members or absentee voting, the Secretary shall draw up the minutes of the meeting held.

10.2. The minutes of the Committee meeting are signed by the Chairman of the Committee, who is responsible for the correctness of the minutes. The minutes are drawn up in two original copies, one of which is sent to the Supervisory Board of the Company within 3 (three) working days after signing, with the recommendations prepared for it attached, and the other remains in the archive of the Committee. All members of the Committee are sent copies of the minutes and the recommendations prepared.

10.3. The minutes of the Committee meeting shall indicate:

10.3.1. date, form, place and time of the meeting (or date of the absentee vote);

10.3.2. List of the members of the Committee who took part in the consideration of the issues on the Committee's agenda, as well as a list of other persons present at the meeting of the Committee;

10.3.3. agendas;

10.3.4. Proposals by Committee members on agenda items;

10.3.5. questions put to the vote and the results of the voting on them;

10.3.6. decisions taken.

## **11. Accountability of the Committee to the Supervisory Board of the Company**

11.1. The Committee shall submit to the Supervisory Board of the Company an annual report on the results of its activities no later than 45 (forty-five) calendar days prior to the date of the annual general meeting of shareholders of the Company.

11.2. The Committee's report must contain information on the Committee's activities during the year, including:

11.2.1. List of recommendations submitted to the Supervisory Board on issues related to the functions of the Committee in accordance with paragraph 2 of this Regulation;

11.2.2. information on services received from external experts and consultants,

11.2.3. information on the implementation of the approved work plan of the Committee, as well as information on extraordinary meetings held.

## **12. Interaction with public bodies and other persons**

12.1. Information and documents necessary for the members of the Committee to ensure effective work are provided through the Secretary. The request for the provision of information and documents is made in writing and signed by the Chairman of the Committee.

12.2. If necessary, experts and specialists with the necessary professional knowledge to consider individual issues of the subject of the Committee's activities may be involved in the work of the Committee. The procedure and conditions for involving experts and specialists in the work of the Committee are determined by the agreement concluded by the Company with such persons.

## **13. Responsibilities of committee members**

13.1. The members of the Committee are responsible in accordance with the norms of current legislation and the internal regulations of the Company.



## **14. Approval and amendment of this regulation**

14.1. This Regulation, as well as all additions and amendments to it, shall be approved by the Supervisory Board of the Company by a majority vote of the total number of members of the Supervisory Board of the Company and shall enter into force from the moment of its approval and shall remain in effect until its cancellation (adoption of a new Regulation).

14.2. All issues not regulated by this Regulation are governed by the Regulation of the Company, the Regulation on the Supervisory Board of JSC “Uzmetplant”, other internal regulations of the Company and the current legislation of the Republic of Uzbekistan.

14.3. If, as a result of changes in the legislation and regulatory legal acts of the Republic of Uzbekistan, individual provisions of this Regulation come into conflict with them, such provisions shall lose force and until changes are made to this Regulation, members of the Committee shall be guided by the laws and by-laws of the Republic of Uzbekistan.

14.4. The annual report of the Committee, submitted to the Supervisory Board of the Company in accordance with paragraph 11 of these Regulations, may contain recommendations to the Supervisory Board on the need to make changes and additions to this Regulation.