

**“APPROVED”**

**BY THE GENERAL ANNUAL  
MEETING OF SHAREHOLDERS OF**

**JSC”NAVOIYAZOT”**

**on June 24, 2022**

**MINUTES No. 55**

**REGULATION  
ON THE EXECUTIVE BODY OF  
JSC”NAVOIYAZOT”**

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The Regulation on the Executive Body of JSC “Navoiyazot” (hereinafter the Regulation) is developed on the basis of the provisions of Articles 14, 79 - 80 of the Law of the Republic of Uzbekistan “On Joint Stock Companies and Protection of Shareholders' Rights” in the new edition and Chapter XXVIII of the Charter of JSC “Navoiyazot” (hereinafter Navoiyazot) in the new edition.

## **1. DEFINITIONS AND INTERPRETATIONS**

### **1.1 Definitions**

The Regulation applies the definitions used in the Charter of JSC “Navoiyazot” and as defined below:

***"Charter"*** means the Charter of the Joint Stock Company "Navoiyazot" (hereinafter referred to as the Charter), registered by the Center for Public Services of Navoi city.

***"General meeting of Shareholders"*** means the supreme governing body of “Navoiyazot”

***"Supervisory Board"*** has the meaning disclosed in Chapter XXIII of the Charter

***"Executive Body"*** has the meaning disclosed in Chapter XXVIII of the Charter

***"Chairman of the Board"*** has meaning disclosed in Chapter XXVIII of the Charter

### **1.2 Interpretations**

In this Regulation, unless the context otherwise requires, words expressing only the singular shall include the plural and vice versa.

## **2. GENERAL PROVISIONS**

2.1. The Regulation defines the status and regulate the work of the Executive Body of JSC Navoiyazot, the procedure for electing the head and members of the Executive Body (hereinafter referred to as the Board), as well as the rights and obligations of the Head and members of the Executive Body .

2.2. The Regulation has been developed in accordance with the Law of the Republic of Uzbekistan “On Joint Stock Companies and Protection of Shareholders' Rights” dated 26.04.96 in the new edition, the Charter of JSC “Navoiyazot”, taking into account the recommendations of the Code of Corporate Governance for enterprises with state participation, approved by the minutes of the meeting of the Commission on improving the efficiency of joint stock companies and improving the Corporate Governance System dated 20.04.2018 №15.

During the development of the provision, the amendments made to the legislative acts of the Republic of Uzbekistan by the Laws of 20.03.2019 № LRU-5E1, of 29.10.2021 № LRU-726, of 14.03.2022 № LRU-759, of 29.03.2022 № LRU-760 and the requirements of the Decree of the President of the Republic of Uzbekistan of 08.04.2022 №PO-101 "On the next reforms to create conditions for stable economic growth by improving the business environment and the development of the private sector.”

2.3. The previous version of the Regulation was approved at the Extraordinary General Meeting of Shareholders of JSC “Navoiyazot” on 27.11.2020 (Minutes No. 43).

### **3. PROCEDURE FOR ELECTION AND TERMINATION OF POWERS OF THE EXECUTIVE BODY**

3.1. The Board of the company consists of 8 (eight) members.

3.2. The Board shall consist of the Chairman, his first deputies and deputy chairmen, who shall be elected by the Supervisory Board (except for the Chairman of the Management Board) in accordance with the procedure stipulated by law and the Navoiyazot Articles of Association for a period of three years, and in case of their new election - by competitive selection and, depending on the functions they perform, shall have qualifications in production, marketing, finance, personnel, projects, planning, etc. A person appointed (reappointed) as Chairman of the Management Board may not be Chairman of the Management Board for more than two consecutive terms.

3.3. The election of the head of the Executive Body and members of the board is carried out on the basis of a competitive selection, in which foreign managers can take part.

3.4. An agreement with the head of the Executive Body and members of the Board on behalf of the company is signed by the chairman of the Supervisory Board or a person authorized by the Supervisory Board of the company. The contract shall, among other things, specify the terms of payment, the amount of remuneration that is in direct correlation with the performance of Navoiyazot, subsidiary liability for any damage and losses, fines, penalties and other mandatory payments caused to the interests of the company as a result of their action (inaction).

3.5. The Supervisory Board has the right to early terminate the powers of members of the Executive Body and its Head if they violate the terms of the contract, commit gross violations of the Charter, or cause Navoiyazot losses through their actions or inaction.

3.6. The decision to terminate (terminate) the contract with members of the Executive Body (except for the chairman of the board) is made by the Supervisory Board by a simple majority of votes.

3.7. If the Supervisory Board of the company makes a decision to terminate the powers of members of the Board (except for the Chairman of the Board), the issue of transferring their powers to another person can be resolved at the same meeting, or left for consideration at the next meeting of the Supervisory Board with the appointment of an interim member of the board until completion competitive selection in accordance with the procedure established by the legislation.

3.8. The competence of the Executive Body of Navoiyazot and its head includes all issues related to the management of the current activities of Navoiyazot, with the exception of issues falling within the competence of the general meeting of shareholders or the supervisory board of Navoiyazot.

3.9. The Executive Body of Navoiyazot organizes the implementation of decisions of the general meeting of shareholders and the supervisory board of Navoiyazot.

### **4. OPERATING PROCEDURE AND COMPETENCE OF THE EXECUTIVE BODY**

4.1. The Navoiyazot Board operates on the basis of the Navoiyazot Charter.

4.2. The Head of the Executive Body (Chairman of the Board) manages the day-to-day business activities of Navoiyazot. For these purposes, the Chairman of the Board holds meetings of the Board as necessary.

In the absence of the Chairman of the Board, his rights and obligations are assigned by the relevant order of Navoiyazot.

4.3. Combining the function of the Chairman of the Board of Navoiyazot with a position in the management bodies of other organizations is permitted only with the consent of the Supervisory Board of Navoiyazot.

4.4. Members of the Management Board act within the limits of their competence determined by the terms of the concluded employment contract, instructions of the Chairman of the Management Board, decisions of the General Meeting of Shareholders, the Supervisory Board and the Regulation.

4.5. Issues submitted by the Chairman of the Board for decision by the Supervisory Board or the General Meeting of Shareholders of Navoiyazot are discussed in advance at a meeting of the Board.

4.6. The board meeting has the right to resolve issues included in its agenda if more than 50% of the board members participate in the meeting.

4.7. At meetings of the Management Board, minutes of the meeting are kept. The minutes of the meeting are kept by the secretary of the Board, appointed by decision of the Chairman of the Board, and drawn up no later than five (5) working days after the meeting. An extract from the Protocol in paper form is certified by the secretary of the meeting. Extracts from the minutes of meetings of the Management Board are issued:

- To the Chairman of the Supervisory Board and the Audit Commission of Navoiyazot - upon request;
- specialists of the enterprise - direct executors of decisions made at the meeting of the Management Board;
- at the request of other Navoiyazot officials - only with the permission of the Chairman of the Board;
- other persons and bodies (including government) in cases provided for by current legislation.

4.8. The Chairman of the Board of the company has the right to:

4.8.1. act on behalf of Navoiyazot without power of attorney, including to represent its interests in relations with other organizations and bodies, including state bodies, to make transactions on behalf of Navoiyazot, to appoint the head of a branch or representative office of Navoiyazot, to approve the staff, to issue orders and give instructions binding for all employees of Navoiyazot;

4.8.2. manage Navoiyazot and make independent decisions within the limits of their powers;

4.8.3. manage the production, organizational, financial and commercial aspects of Navoiyazot's daily business activities;

4.8.4. conclude contracts and agreements, including labor agreements;

4.8.5. require Navoiyazot employees to properly perform the work stipulated by the employment contract, internal labor regulations and other rules and regulations in force at Navoiyazot;

4.8.6. delegate the right to conclude and terminate employment contracts with Navoiyazot employees;

4.8.7. when concluding employment contracts with Navoiyazot employees, determine for them the volume and composition of information constituting official and commercial secrets;

4.8.8. issue powers of attorney on behalf of Navoiyazot;

4.8.9. open and close current and other Navoiyazot accounts in banks;

4.8.10. carry out transactions, with the exception of transactions the execution of which falls within the exclusive competence of the General Meeting of Shareholders and the Supervisory Board;

4.8.11. dispose of property and funds within the limits specified by the Navoiyazot Charter;

4.8.12. issue orders and instructions on issues related to the activities of Navoiyazot, binding on all employees subordinate to him;

4.8.13. in case of violation of labor discipline by the company's employees, take disciplinary action against them, as well as delegate these powers;

- 4.8.14. encourage employees of Navoiyazot;
- 4.8.15. amend the organizational structure of Navoiyazot with its subsequent approval by the General Meeting of Shareholders. On the basis of the organizational structure approved by the General Meeting of Shareholders, approve Navoiyazot's staffing table, staff Navoiyazot with qualified personnel;
- 4.8.16. approve lists of persons authorized to sign bank documents;
- 4.8.17. enter into collective negotiations and conclude collective agreements on behalf of Navoiyazot;
- 4.8.18. entrust the resolution of certain issues within his competence to the heads of structural divisions;
- 4.8.19. in agreement with the Supervisory Board, be the organizer and coordinator of the General Meetings of Shareholders, including sending notifications to Shareholders about the holding of the General Meeting, preparing all necessary documents and resolving all other issues related to the organization of General Meetings of Shareholders.
- 4.8.20. approve the Regulations on the structural divisions of Navoiyazot management.
- 4.9. The Chairman of the Board of the company is obliged to:
  - 4.9.1. carry out within its competence, the management of the current activities of Navoiyazot, with the exception of issues falling within the exclusive competence of the General Meeting of Shareholders and the Supervisory Board, ensuring its effective and sustainable operation;
  - 4.9.2. organize the execution of decisions of the General Meeting of Shareholders and the Supervisory Board;
  - 4.9.3. ensure effective interaction between production units, workshops and other structural divisions of Navoiyazot;
  - 4.9.4. ensure the fulfillment of Navoiyazot's contractual obligations, obtaining profits in the amounts necessary for the development of production and the social sphere;
  - 4.9.5. manage the development of programs and business plans for the development of Navoiyazot, organize and monitor their implementation;
  - 4.9.6. submit a quarterly report to the Supervisory Board on the progress of implementation of Navoiyazot's annual business plan;
  - 4.9.7. ensure compliance with legal requirements in the activities of Navoiyazot;
  - 4.9.8. ensure the organization, proper condition and reliability of accounting and reporting in Navoiyazot, timely submit an annual report and other financial statements to the relevant authorities, as well as information about the company's activities sent to Shareholders, creditors and other recipients of information;
  - 4.9.9. provide documents on the financial and business activities of Navoiyazot without hindrance at the request of the Supervisory Board, the Audit Commission or the audit organization;
  - 4.9.10. ensure the completeness and timeliness of the provision of state statistical reporting to the relevant authorities;
  - 4.9.11. maintain information constituting a trade secret of Navoiyazot, unless its responsibilities include transferring such information to third parties;
  - 4.9.12. ensure the preservation of information constituting official or commercial secrets by Navoiyazot employees;
  - 4.9.13. take measures to provide Navoiyazot with qualified personnel, to make the best use of the knowledge, qualifications, experience and abilities of Navoiyazot employees;
  - 4.9.14. maintain labor and technological discipline;
  - 4.9.15. ensure compliance with social guarantees and labor protection for Navoiyazot employees;
  - 4.9.16. act as an employer when concluding collective agreements and contacts. Fulfill obligations under the collective agreement;
  - 4.9.17. submit reports to the General Meeting of Shareholders and the Supervisory Board on the state of affairs within its competence within the established time limits;

- 4.9.18. observe all the rights of Shareholders to receive information provided for by current legislation, participate in General Meetings of Shareholders, accrual and pay dividends;
- 4.9.19. comply with the provisions of internal documents of the Navoiyazot company and the current legislation of the Republic of Uzbekistan.
- 4.9.20. perform such other duties as may be delegated to it by the General Stockholders' Meeting and/or the Supervisory Board.
- 4.10. The Management Board of the Company shall act on the basis of the Navoiyazot Charter and, within the framework of its powers, has the obligation and right to:
- 4.10.1. dispose of the property and funds of the Company;
- 4.10.2. approve regulations on the structural divisions of the Company and job descriptions of the Company's employees;
- 4.10.3. approve internal regulatory documents of the Company, with the exception of internal regulatory documents, the approval of which falls within the competence of the general meeting of shareholders or the Supervisory Board;
- 4.10.4. make decisions of the Management Board of the Company that are binding on the structural divisions of the company;
- 4.10.5. develop programs and business plans for the development of the Company, monitor their implementation;
- 4.10.6. ensure the receipt of profit in the amount stipulated by the business plan approved by the authorized body of the Company;
- 4.10.7. ensure the organization with proper condition and reliability of accounting and reporting in the Company, as well as information about the activities of the Company sent to shareholders, creditors and other recipients of information;
- 4.10.8. freely provide documents on the financial and economic activities of the Company at the request of the Supervisory Board, Audit Commission or Auditor of the Company;
- 4.10.9. within its competence to enter into transactions related to alienation or acquisition of property, or the possibility of alienation (if the members of the Management Board do not reach unanimity, the issue of entering into such a transaction shall be submitted to the Supervisory Board for decision);
- 4.10.10. keep information containing commercial secrets of the Company;
- 4.10.11. comply with all rights of shareholders regarding the calculation and payment of dividends;
- 4.10.12. within its competence, ensure the effective and stable functioning of the Company;
- 4.10.13. report to the Supervisory Board of the Company information about the existence of a significant interest (direct, indirect or on behalf of third parties) in concluding any transaction or in any issue directly related to the Company;
- 4.10.14. report to the Supervisory Board of the Company information about the existence of a significant interest (direct, indirect or on behalf of third parties) in concluding any transaction or in any issue directly related to the Company;
- 4.10.15. manage the Company's reputational risks;
- 4.10.16. have other powers (rights) and obligations in accordance with the legislation of the Republic of Uzbekistan, the Charter and regulatory documents of the Company.
- 4.11. Remuneration of labor and payment of remunerations and compensations to members of the Management Board shall be carried out in accordance with the Procedure for remuneration of labor and payment of remunerations to members of the Management Board approved by the Supervisory Board of the Company.



## **5. RESPONSIBILITY OF THE CHAIRMAN AND MEMBERS OF THE BOARD**

5.1. If a member of the Management Board is financially interested in a transaction, one of the parties to which is Navoiyazot, he/she shall disclose his/her interest before the decision is made, when discussing the said issue. A member of the Management Board interested in the transaction shall not take part in voting on this issue.

5.2. Members of the Management Board shall not be entitled to receive remuneration directly or indirectly for influencing the adoption of any decisions of the Management Board.

5.3. Members of the Board do not have the right to use Navoiyazot's opportunities (property or non-property rights, opportunities in the field of economic activity, information about Navoiyazot's activities and plans) for the purpose of personal enrichment.

5.4. Members of the Management Board shall not, during their term of office, be entitled to establish or participate in the establishment of companies whose activities create difficulties in the sale of products or in the provision of services by Navoiyazot. Members of the Management Board are obliged to suspend their participation in similar enterprises upon appointment to the Management Board and inform the Chairman of the Management Board of Navoiyazot of this suspension.

5.5. The members of the Board are required to disclose information about any interest in any transaction or issue related to enterprises with state participation (if any);

5.6. The members of the Management Board shall be liable to Navoiyazot for damages caused to Navoiyazot as a result of non-performance or improper performance of their functions in accordance with the current legislation of the Republic of Uzbekistan.

From the date of approval of this Regulation by the general meeting of shareholders, the previously approved Regulation "On the Executive Body of JSC 'Navoiyazot' (approved on 27.10.2022, Minutes No. 43) shall cease to be in force.

**Acting Chairman of the Board**

**Sh.O.Temirov**