

**“APPROVED”**  
**BY THE GENERAL EXTRAORDINARY**  
**MEETING OF SHAREHOLDERS OF JSC**  
**“NAVOIYAZOT” on May 5, 2022**  
**MINUTES No. 54**

**REGULATION ON THE SUPERVISORY BOARD OF JSC**  
**“NAVOIYAZOT”**

**2022**

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This provision has been developed in accordance with the Law of the Republic of Uzbekistan "On Joint-Stock Companies and Protection of Shareholders' Rights", recommendations of the Corporate Governance Code, Corporate Governance Rules for Enterprises with State Participation, approved by the minutes of meetings of the Commission on Improving the Efficiency of Joint-Stock Companies and Improving the Corporate Governance System (from 02/11/2016 No. 02-02/1-187) and (dated 04/27/2018 No. 24/1-989), the charter of the joint-stock company "Navoiyazot" (hereinafter referred to as the Company) and determines the status, functions, rights (powers ) and the duties of the Supervisory Board of the Company, the procedure for electing its members and their work.

## 1. DEFINITIONS AND INTERPRETATIONS

### 1.1 Definitions

These Regulations apply the definitions used in the Charter of Navoiyazot JSC and as defined below:

<b>"Charter"</b>	constituent document of Navoiyazot Joint Stock Company (hereinafter referred to as the Charter) registered by the authorized state body
<b>"General Shareholders' Meeting "</b>	the supreme governing body of JSC Navoiyazot
<b>"Supervisory Board"</b>	has the meaning disclosed in Chapter XXIII of the Charter
<b>"Executive organ"</b>	has the meaning disclosed in Chapter XXVIII of the Charter
<b>"Chairman of the Board"</b>	has the meaning disclosed in Chapter XXVIII of the Charter

### 1.2 Interpretations

In these Regulations, unless the context otherwise requires, words expressing only the singular number include the plural and vice versa.

## 2. GENERAL PROVISIONS

2.1. The Regulation defines the status and regulate the work of the Supervisory Board of JSC Navoiyazot, the procedure for elections to members of the Supervisory Board, as well as the rights and obligations of members of the Supervisory Board.

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" and the Charter of JSC Navoiyazot.

## 3. COMPETENCE OF THE SUPERVISORY BOARD

3.1. The Supervisory Board carries out general management of the activities of Navoiyazot, with the exception of resolving issues referred by law and the Charter to the exclusive competence of the General Meeting of Shareholders, coordinates the activities of the executive body, internal control bodies of Navoiyazot, collegial bodies created in Navoiyazot, and, if necessary, attracts experts to organize plans development of Navoiyazot and monitoring the achievement of the goals outlined therein.

3.2. The competence of the Navoiyazot Supervisory Board includes:

- 3.2.1. determination of priority areas of activity of Navoiyazot with regular hearing of the report of the company's executive body on the measures taken to achieve the company's development strategy;
- 3.2.2. convocation of annual and extraordinary General Meetings of Shareholders, except as required by the legislation;
- 3.2.3. preparation of the agenda for the General Meeting of Shareholders of Navoiyazot;
- 3.2.4. determining the date, time and place of the General Meeting of Shareholders of Navoiyazot;
- 3.2.5. determining the date of formation of the register of Navoiyazot Shareholders for notification of the General Meeting of Shareholders;
- 3.2.6. submitting for decision to the General Meeting of Shareholders issues provided for by current legislation and this Charter, including issues of introducing amendments and additions to the Charter of Navoiyazot and approval of the Charter of Navoiyazot in a new edition;
- 3.2.7. organization of establishing the market value of Navoiyazot property;
- 3.2.8. approval of proposals on the quantitative and personal composition of the Counting Commission of Navoiyazot for approval at the General Meeting of Shareholders of Navoiyazot;
- 3.2.9. appointment of a corporate consultant to Navoiyazot;
- 3.2.10. creation of an internal audit service and appointment of its employees, certification of employees of the internal audit service, as well as quarterly hearing of its reports. Approval of the regulation "On the Internal Audit Service" of the company;
- 3.2.11. making a decision to conduct an audit (except for a mandatory audit), to determine the audit organization, the maximum amount of payment for its services and the conclusion (termination) of an agreement with it;
- 3.2.12. giving recommendations on the amount of remuneration and compensation paid to the Audit Commission of the company;
- 3.2.13. giving recommendations on the size of the dividend, the form and procedure for its payment;
- 3.2.14. use of the Reserve Fund and other Navoiyazot funds;
- 3.2.15. creation/liquidation of subsidiaries and dependent business companies;
- 3.2.16. creation/liquidation of branches and opening/closing of representative offices of the company;
- 3.2.17. making decisions on concluding major transactions in cases provided for by current legislation;
- 3.2.18. making decisions on concluding transactions with affiliates in cases provided for by

current legislation;

3.2.19. concluding transactions related to the company's participation in commercial and non-profit organizations in the manner prescribed by the legislation;

3.2.20. review of annual and quarterly government procurement plans and schedules, as well as lists of goods planned for import to determine the feasibility of procurement;

3.2.21. quarterly hearing and approval of the report of the head of the executive body (chairman of the board) of Navoiyazot on the implementation of Navoiyazot's business plan;

3.2.22. quarterly hearing and approval of the report of the Deputy Chairman of the Board for Procurement on the implementation of the approved list of goods, planned for purchase for the production program of the reporting year;

3.2.23. increase in the Charter Fund of Navoiyazot, as well as introduction of changes and additions to the Charter of Navoiyazot related to the increase in the Charter Fund of Navoiyazot;

3.2.24. determining the placement price (putting up for organized trading in securities) of shares in accordance with the legislation;

3.2.25. making a decision on the issue of Navoiyazot corporate bonds, including those convertible into shares;

3.2.26. making a decision on the issue of derivative securities;

3.2.27. making a decision to repurchase Navoiyazot corporate bonds;

3.2.28. formation of the executive body of Navoiyazot, election (appointment) of its members (except for the head), early termination of its powers;

3.2.29. establishing the amounts paid to the executive body and the head of the executive body of the company, remuneration and compensation;

3.2.30. approval of the annual business plan of Navoiyazot. At the same time, Navoiyazot's business plan for the next year must be approved at a meeting of the Navoiyazot Supervisory Board no later than December 1 of the current year;

3.2.31. coordination of work on the development, implementation and regular assessment of compliance of the organizational structure of Navoiyazot with legal requirements;

3.2.32. determining the procedure, conditions for providing (receiving) and making decisions on charitable (sponsorship) or gratuitous assistance only within the limits established by the general meeting of shareholders and legislation, with the subsequent posting of this procedure on the corporate website of the joint-stock company;

3.2.33. making decisions on the acquisition or construction of new real estate, acquiring shares in the authorized capital of business companies and carrying out additional activities corresponding to the main activity;

3.2.34. Making decisions on the conclusion of agreements (transactions, contracts, memorandums, etc.) on the alienation, forms and mechanisms for the sale of property, making investments in the authorized capital of Navoiyazot and the enterprises within it by third parties;

3.2.35. resolving other issues within the competence of the Supervisory Board by this Charter and current legislation.

3.2.36. access to any documents relating to the activities of the executive body of Navoiyazot, and receipt of them from the executive body of Navoiyazot to fulfill the duties assigned to the Supervisory Board of Navoiyazot. The received documents may be used by the Navoiyazot Supervisory Board and its members solely for official purposes.

3.3. The Supervisory Board reports at the annual General Meetings of Navoiyazot Shareholders on compliance with corporate governance standards established by law.

3.4. Issues within the competence of the Supervisory Board cannot be transferred to the executive body for decision.

3.5. By decision of the General Meeting of Shareholders, members of the Supervisory Board of Navoiyazot for the period of performance of their duties may be paid remuneration and/or compensated for expenses associated with the performance of the functions of members of the Supervisory Board in the manner specified in Appendix No. 1 to this Regulation.

#### **4. ELECTION OF MEMBERS OF THE SUPERVISORY BOARD.**

4.1. The quantitative composition of the Supervisory Board is determined by the general meeting of shareholders, the Charter, cannot be less than the number established by the legislation and can be changed by decision of the General Meeting of Shareholders of Navoiyazot.

4.2. Members of the Navoiyazot Supervisory Board are elected by the General Meeting of Shareholders in the manner prescribed by the legislation and the Navoiyazot Charter for a period of three years.

4.3. Only an individual can be a member of the Supervisory Board. Members of the Supervisory Board (candidates for members of the Supervisory Board) must meet qualification requirements, including the availability of a qualification certificate of a corporate manager issued by the Scientific Educational Center for Corporate Governance (except for cases established by the current legislation) and the requirements of business reputation established by the current legislation and the regulatory acts of Navoyazot adopted in accordance with them.

4.4. At least one independent member is elected to the Supervisory Board, but not less than 15% of the number of members of the Supervisory Board stipulated by the Charter. Independent members of the Navoiyazot Supervisory Board may be persons who:

- i. have not worked for Navoiyazot, its subsidiaries or affiliates during the last 5 years;
- ii. are not associated with companies providing advisory services to Navoiyazot, its subsidiaries and affiliates;
- iii. are not associated with a significant customer or supplier of Navoiyazot, its subsidiaries and affiliates;
- iv. do not have personal service contracts with Navoiyazot, its subsidiaries and affiliates;
- v. are not a family member of a person who is or has been for the last 5 years a managerial employee of Navoiyazot, its subsidiaries and affiliates;
- vi. are not a controlling person of Navoiyazot (or a member of a group of persons and/or an organization that collectively exercise control over Navoiyazot);

vii. are not related to Navoiyazot by civil law contracts and are not an employee of a major shareholder of Navoiyazot or a higher industry department (Uzkimyosanoat JSC),

4.5. Persons elected to the Navoiyazot Supervisory Board may be re-elected without limit. By decision of the General Meeting of Shareholders, the powers of any member (all members) of the Navoiyazot Supervisory Board may be terminated early.

4.6. Persons working at Navoiyazot under an employment agreement (contract) cannot be members of the Supervisory Board.

4.7. Members of the Supervisory Board do not have the right to directly or indirectly receive remuneration for influencing the adoption of certain decisions by the Supervisory Board.

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

4.9. The General Meeting of Shareholders of Navoiyazot may establish additional requirements for persons elected to the Supervisory Board.

4.10. The activities of members elected to the Supervisory Board for the state share are assessed on the basis of such criteria as the effective organization of transformation processes in society, optimization of external debt, implementation of a modern procurement system, fulfillment of the requirements stipulated by the Decree of the President of the Republic of Uzbekistan dated April 8, 2022 No. PD -101.

4.11. The election of members of the Navoiyazot Supervisory Board is carried out by cumulative voting. In cumulative voting, the number of votes belonging to each Shareholder is multiplied by the number of persons to be elected to the Navoiyazot Supervisory Board, and the Shareholder has the right to cast the votes thus received entirely for one candidate or distribute them among two or more candidates. Candidates who receive the largest number of votes are considered elected to the Supervisory Board.

4.12. The activities of the members elected to the Supervisory Board for the state share are assessed based on criteria such as the effective organization of transformation processes at the enterprise, optimization of the enterprise's external debt, implementation of a modern procurement system, fulfillment of the requirements stipulated by Decree of the President of the Republic of Uzbekistan dated 04/08/2022 No. PD-101 "On the next reforms to create conditions for stable economic growth by improving the business environment and developing the private sector," as well as attracting alternative funds to finance investment projects.

## **5. CHAIRMAN AND SECRETARY OF THE SUPERVISORY BOARD.**

5.1. At the first meeting of the Supervisory Board, held after the General Meeting of Shareholders, at which members of the Supervisory Board were elected, members of the Supervisory Board elect a Chairman from among themselves by a simple majority of votes of the members of the Supervisory Board present and voting at the meeting.

5.2. The Navoiyazot Supervisory Board has the right to re-elect its Chairman by a majority vote of those present and voting at the meeting from among the members of the Supervisory Board.

### 5.3. Chairman of the Supervisory Board:

- 5.3.1. organizes the work of the Supervisory Board;
- 5.3.2. convenes meetings of the Supervisory Board and presides over them;
- 5.3.3. organizes the keeping of minutes of the Supervisory Board meeting at meetings of the Supervisory Board;
- 5.3.4. concludes, on behalf of Navoiyazot, employment contracts for the employment of members of the executive body (except for the chairman of the board), unless the Supervisory Board grants such powers to another person;
- 5.3.5. authorizes audio-video recordings and broadcasts of the general meeting of shareholders on the Internet;
- 5.3.6. requires the Executive Body of Navoiyazot to independently resolve issues within its competence in order to unconditionally fulfill the tasks set by the supervisory board, the general meeting of shareholders, the charter and development plans of Navoiyazot.

5.4. The Chairman of the Supervisory Board of Navoiyazot has the decisive vote when making decisions by the Supervisory Board in the event

equality of votes of members of the Supervisory Board.

5.5. In the absence of the Chairman of the Supervisory Board, his functions are performed by one of the members of the Supervisory Board.

5.6. The Secretary of the Supervisory Board of the Company is elected by the members of the Supervisory Board by a majority vote of the total number of members of the Supervisory Board. As a rule, an employee of the Company's corporate relations department is elected as the secretary of the Supervisory Board.

5.7. The Supervisory Board of the Company has the right to re-elect the Secretary by a majority vote of the total number of members of the Supervisory Board.

5.8. In the absence of the Secretary of the Supervisory Board, his functions are performed by one of the members of the Supervisory Board.

5.9. The Secretary of the Supervisory Board takes all necessary measures to ensure the activities of the Supervisory Board.

### 5.10. Secretary of the Supervisory Board:

- 5.10.1. organizes the preparation of a draft work plan for the Supervisory Board;
- 5.10.2. receives requests and sends notifications about convening a meeting of the Supervisory Board;
- 5.10.3. distributes voting ballots (for absentee voting), documents and materials for meetings of the Supervisory Board in accordance with the requirements of these Regulations;
- 5.10.4. accepts voting ballots filled out by members of the Supervisory Board (in case of



absentee voting);

5.10.5. keeps minutes of meetings of the Supervisory Board and prepares minutes based on the results of absentee voting;

5.10.6. performs other functions in accordance with these regulations, internal documents of the Company and instructions of the Chairman of the Supervisory Board.

5.11. The date of receipt by the secretary of the Supervisory Board of documents and materials provided for by these regulations is considered the date of their submission to the Supervisory Board.

5.12. The secretary of the supervisory board receives remuneration and compensation for expenses for work on the supervisory board in accordance with Appendix No. 1 to The Regulation.

## **6. MEETINGS OF THE SUPERVISORY BOARD.**

6.1. Meetings of the Supervisory Board are held as required.

6.2. A meeting of the Supervisory Board is convened by the Chairman of the Supervisory Board:

- on his own initiative;
- at the request of a member of the Supervisory Board;
- at the request of the Audit Commission;
- at the request of the head of the executive body (chairman of the board) of Navoiyazot.

6.3. The initiator of convening a meeting of the Supervisory Board shall notify the members of the Supervisory Board of convening the meeting by sending a notification.

6.4. The notification on convocation of a meeting of the Supervisory Board shall contain:

- Date, time and place of the meeting of the Supervisory Board;
- Agenda of the meeting;
- List of persons invited to the meeting.

Attached to the notice:

- draft decisions of the Supervisory Board;
- justification for the need to adopt the proposed decision;
- documents and other information materials;
- voting ballot (for absentee voting) indicating the date of submission of the completed ballot to the Supervisory Board.

Written notifications are sent to members of the Supervisory Board via postal, fax, telegraph, teletype, electronic or other means of communication. The draft decision of the Supervisory Board and confidential materials containing information constituting a commercial or official secret are submitted to the Supervisory Board for consideration with the stamp "confidential".

6.5. Each member of the Supervisory Board has the right, within 10 (ten) calendar days after receiving such notification, to submit to the Chairman of the Supervisory Board a list of additional issues for inclusion on the agenda.

6.6. The Chairman of the Supervisory Board considers all proposals received (if any),

and, if necessary, prepares the final agenda for the meeting and sends it to the executive body for distribution to the members of the Supervisory Board.

6.7. An issue introduced by a member of the Supervisory Board is subject to inclusion on the agenda of a meeting of the Supervisory Board, except in cases where:

6.7.1. a member of the Supervisory Board did not comply with the deadline established in clause 6.5 of these Regulations;

6.7.2. the proposals do not comply with the requirements of the law and/or the Navoiyazot Charter.

6.8. At the meeting of the Supervisory Board, those issues that are indicated on the agenda are considered. However, by unanimous decision of all members of the Navoiyazot Supervisory Board present, the Supervisory Board may include and consider additional issues on the agenda.

6.9. Meetings of the Supervisory Board may be held via video conferencing or personal participation in the meeting. Any member of the Supervisory Board may participate and vote by videoconferencing if he is unable to physically attend the meeting. At the same time, the Executive Body shall take all necessary measures to organize such communication upon receipt of such a request. If videoconferencing with any member of the Supervisory Board participating in the meeting is interrupted, the meeting shall be interrupted until it is restored.

6.10. Decisions of the Supervisory Board can be adopted by absentee voting (by poll) by all members of the Supervisory Board unanimously. Such decisions of the Supervisory Board are formalized in a Written Resolution. The provisions of this Charter regarding quorum and voting procedure at a meeting of the Supervisory Board apply to such Written Resolutions.

A Written Resolution (unequivocally approving the decision taken) that is formalized in writing and signed by the current members of the Supervisory Board has the same force as a resolution duly adopted at a meeting of the Supervisory Board. Such Written Resolution may be contained in one or more documents of adequate form, each of which is signed by one or more members of the Supervisory Board.

6.11. Minutes are kept at the meeting of the Supervisory Board. The minutes of the meeting of the Supervisory Board are drawn up no later than 10 (ten) days from the date of its holding.

6.12. The minutes of the meeting of the Supervisory Board indicate:

- date, place and time of its holding;
- persons present at the meeting, including remotely using information and communication technologies;
- meeting agenda;
- issues put to vote, voting results on them;
- decisions made.

6.13. The Secretary of the Supervisory Board keeps minutes of meetings of the Navoiyazot Supervisory Board.

6.14. The minutes of the meeting of the Navoiyazot Supervisory Board are signed by the members of the Navoiyazot Supervisory Board participating in the meeting, who are responsible for the correctness of the minutes.

6.15. The minutes of the meeting of the Supervisory Board are also considered signed by all members of the Supervisory Board if there is a signed ballot (in case of absentee voting), which is an integral part of the minutes and is attached to it. In this case, the protocol is signed by the chairman and secretary of the Supervisory Board.

6.16. The minutes of the meeting of the Navoiyazot Supervisory Board are transferred for execution to the executive body of Navoiyazot on the day of its signing. If the Supervisory Board makes a decision to convene a General Meeting of Shareholders, information about this decision is transmitted to the executive body of Navoiyazot on the day of the meeting of the Supervisory Board.

6.17. Minutes of meetings of the Supervisory Board are presented to the Audit Commission and the Company's auditor upon their requests.

## **7. QUORUM OF SUPERVISORY BOARD MEETINGS AND DECISION MAKING.**

7.1. The quorum for holding a meeting of the Supervisory Board is 75% (seventy-five percent) of the number of elected members of the Supervisory Board.

7.2. In the event that the number of members of the Supervisory Board becomes less than 75% (seventy-five percent), Navoiyazot is obliged to convene an Extraordinary General Meeting of Shareholders to elect a new composition of the Supervisory Board. The remaining members of the Supervisory Board have the right to make a decision only on convening such an Extraordinary General Meeting of Shareholders, as well as in the event of early termination of the powers of the head of the executive body, appoint an interim person.

7.3. Decisions at a meeting of the Supervisory Board are made by a majority vote of the members of the Supervisory Board present and voting at the meeting, with the exception of decisions specified in clause 3.2.21, when a unanimous decision of the members of the Supervisory Board is required.

Each member of the Supervisory Board shall be entitled to one vote when deciding issues at a meeting of the Supervisory Board.

7.4. The Chairman of the Supervisory Board of Navoiyazot has the casting vote when making a decision by the Supervisory Board in the event of an equality of votes among the members of the Supervisory Board.

7.5. The transfer of a vote by one member of the Supervisory Board to another member of the Supervisory Board is not permitted.

7.6. On agenda items, decisions on which are made by a simple majority of votes, when determining the presence of a quorum and the results of voting on the agenda item, the written opinion of a member of the Supervisory Board who is not present at the meeting may be taken into account if the following conditions are simultaneously met:

7.6.1. A written opinion on the issue was received by the Supervisory Board before the meeting;

7.6.2. A member of the Supervisory Board has clearly defined his position on the issue, indicating in a written opinion "for" or "against" whether he votes on the proposed draft decision, or "abstained" from making a decision.

7.7. A written opinion containing amendments and reservations to the proposed draft

decision may be taken into account by decision of the Chairman of the Supervisory Board. In this case, the minutes of the meeting of the Supervisory Board shall be recorded and a decision on the agenda issue shall be made taking into account the decision of the Chairman of the Supervisory Board on the proposed amendments and reservations.

7.8. If a written opinion has not been sent to the members of the Supervisory Board together with the notification of the meeting, the presiding officer shall announce the written opinion at the meeting.

7.9. Written opinions are taken into account when determining the quorum and voting results on each issue separately, which is reflected in the minutes of the meeting.

7.10. When determining the quorum and voting results on issues that require a qualified majority of votes or unanimity, written opinions are not allowed to be taken into account.

7.11. Decisions of the Supervisory Board on the following matters shall be taken unanimously by all elected members of the Supervisory Board:

7.11.1. inclusion in the agenda of the general meeting of shareholders of issues on the reorganization or liquidation of the Company, the appointment of a liquidation commission;

7.11.2. decisions taken by absentee voting (by poll);

7.11.3. issue of corporate bonds, including those convertible into shares;

7.11.4. decisions on transactions in cases provided for in Chapters 8 and 9 of the Law of the Republic of Uzbekistan "On Joint-Stock Companies and Protection of Shareholders' Rights";

7.12. On the following issues, decisions of the Supervisory Board are made by a three-quarters majority of votes (qualified majority) of the members of the Supervisory Board participating in voting:

7.12.1. on the refusal to convene an extraordinary General Meeting of Shareholders;

7.12.2. on refusal to include an issue on the agenda of the General Meeting of Shareholders or a candidate on the list of candidates for voting for elections to the Supervisory Board and Audit Commission of the Company.

## **8. ABSENTEE VOTING PROCEDURE**

8.1. Decisions of the Supervisory Board may be taken by absentee voting (by poll) by all members of the Supervisory Board unanimously.

8.2. The decision to conduct absentee voting is made by the Chairman of the Supervisory Board.

8.3. To conduct absentee voting, all members of the Supervisory Board are sent notifications of absentee voting that meet the requirements of clause 6.4 of The Regulation.

8.4. Voting ballots must indicate the date of submission of the completed ballot to the Supervisory Board.

8.5. Notifications of absentee voting are sent to members of the Supervisory Board no later than 5 calendar days before the established date for submitting the completed ballot to the Supervisory Board.

8.6. Voting ballots completed and personally signed by members of the Supervisory Board are presented to the secretary of the Supervisory Board.

8.7. When counting votes, the votes of members of the Supervisory Board who submitted a completed voting ballot within the prescribed period are taken into account.

8.8. When voting, votes are counted on those issues for which voters are left with only one of the possible voting options. Ballot papers filled out in violation of this requirement are considered invalid and votes on the issues contained therein are not counted. If the voting ballot contains several questions put to vote, failure to comply with the requirement specified in this paragraph in relation to one or more questions does not entail the invalidation of the voting ballot as a whole.

8.9. Based on the results of absentee voting, minutes of the meeting of the Supervisory Board are drawn up.

## **9. COMMISSIONS OF THE SUPERVISORY BOARD**

9.1. In order to ensure the adoption of informed and effective decisions, the Supervisory Board of the Company has the right to create temporary and permanent committees (working groups) on relevant issues, including to identify and resolve conflict situations.

9.2. To consider the most important issues and prepare recommendations to the Supervisory Board, there are 3 committees under the Supervisory Board:

- Audit Commission;
- Nomination and Remuneration Commission;
- Strategy and Investment Commission;
- - Ethics and Anti-Corruption Commission.

9.3. The activities of each Commission are regulated by the Regulation on this Commission.

9.4. Committees under the Supervisory Board consist of members of the Supervisory Board who have the necessary professional knowledge to work in a specific Commission. The quantitative and personal composition of each committee is determined by the Supervisory Board.

9.5. The Supervisory Board Commission is headed by a member of the Supervisory Board.

9.6. By decision of the General Meeting of Shareholders, members of the Commission s for the period of performance of their duties may be paid remuneration and/or compensated for expenses associated with the performance of the functions of members of the Commissions in the manner specified in Appendix No. 1 to the Regulations.

## **10. RIGHTS AND OBLIGATIONS OF MEMBERS OF THE SUPERVISORY BOARD**

10.1. A member of the Supervisory Board has the right to:

10.1.1. personally take part in a meeting of the Supervisory Board, speak on the issue discussed at the meeting within the time allotted by the regulations;

10.1.2. receive all necessary information about the activities of the Company and its development plans for a certain period of time;

10.1.3. receive payment and compensation for expenses for work on the supervisory board during the period of performance of their duties, as well as remuneration in the manner in accordance with Appendix No. 1 to these regulations;

10.1.4. other rights provided for by current legislation and the Company's charter.

10.2. Functions between members of the Supervisory Board are distributed by the Chairman of the Supervisory Board specifically for each member of the Supervisory Board.

10.3. Members of the Supervisory Board, when exercising their rights and performing their duties, must act in the interests of the Company in good faith and wisely, and not disclose confidential information and documentation of the Company that has become known to them, constituting an official or commercial secret.

10.4. Members of the Supervisory Board shall not use their position and the information received on the Company's activities for personal interests, as well as allow them to be used for personal interests by other persons.

10.5. Members of the Supervisory Board are required to personally participate in meetings of the Supervisory Board. If attendance at a meeting is impossible, a member of the Supervisory Board notifies the Supervisory Board about this, indicating the reasons. At the same time, a member of the Supervisory Board has the right to send a written opinion on the agenda items in accordance with these Regulations.

10.6. A member of the Supervisory Board who is an affiliated person is obliged to inform the Company about his affiliation in the Company's transaction by sending a written notification with detailed information about the proposed transaction, including information about the persons participating in the transaction, the subject of the transaction, and the material terms of the relevant agreement.

10.7. The above-mentioned member of the Company's Supervisory Board does not have the right to participate in the discussion and does not have the right to vote when the Company's Supervisory Board makes a decision on this transaction.

10.8. Recognition of a member of the Supervisory Board of the Company as an affiliated person in the Company's transaction is carried out in accordance with the requirements of Chapter 9 of the Law of the Republic of Uzbekistan "On Joint-Stock Companies and Protection of Shareholders' Rights".

10.9. A member of the Supervisory Board is obliged to 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.

## **11. RESPONSIBILITY OF MEMBERS OF THE SUPERVISORY BOARD.**

11.1. Members of the Company's Supervisory Board, when exercising their rights and

fulfilling their duties, must act in the interests of the Company and bear responsibility to the Company in accordance with the law and the Company's charter.

11.2. If several persons are responsible, their liability to the Company is joint and several. Members of the Supervisory Board who did not take part in voting or voted against a decision that caused losses to the Company are not liable.

11.3. The Company or a shareholder (shareholders) who collectively own at least one percent of the Company's outstanding shares have the right to file a claim in court against a member of the Supervisory Board for compensation for losses caused to the Company.

11.4. The powers of a member of the Supervisory Board of the Company may be terminated by a court decision, with a ban on holding a leadership position in business companies for a period of at least one year, if the court finds him guilty of causing property damage to the Company.

11.5. A member of the Supervisory Board of the Company may be held liable for damage caused to the Company as a result of providing misleading information or knowingly false information or proposals to conclude and (or) make decisions on concluding a major transaction and (or) transaction with affiliates with for the purpose of obtaining profit (income) by them or their affiliates.

## **12. IMPLEMENTATION OF DECISIONS OF THE SUPERVISORY BOARD**

12.1. The decisions of the Navoiyazot Supervisory Board are binding on the executive body of Navoiyazot insofar as they are concerned.

## **13. FINAL PROVISIONS**

13.1. The Regulation shall come into force from the date of their approval by the General Meeting of Shareholders.

13.2. If one of the rules of this Regulation is no longer in force, this rule is not a reason for suspending the other rules.

13.3. If the current legislative acts of the Republic of Uzbekistan or the Charter of the Company establish Regulations other than those provided for in this Regulation, then the rules of the current legislative acts of the Republic of Uzbekistan and the Charter of the Company apply.

13.4. From the date of approval of this Regulation by the General Meeting of Shareholders, the previously approved Regulation "On the Supervisory Board of JSC 'Navoiyazot' (approved on 10.05.2016, Minutes No. 25) and Chapter III 'Procedure for remuneration and payment of remuneration to the members of the Management Board, payment of remuneration and compensation to the management and control bodies of the joint-stock company 'Navoiyazot' (approved on 30.09.2020, Minutes No. 42) are no longer in force.

**Acting Chairman of the Board**  
**O.Sh.Temirov**

## **Appendix No. 1**

*to the Regulation on the Supervisory Board of*

*JSC "Navoiyazot"*

### **PROCEDURE FOR PAYMENT OF REMUNERATION AND COMPENSATION TO THE MEMBERS AND SECRETARY OF THE SUPERVISORY BOARD**

#### **I. GENERAL PROVISIONS.**

1.1. All payments provided for by this Procedure shall be included in the estimated expenditure part of the annual Business Plan of the Company and shall be made by the Company in monetary form.

1.2. If during the period (quarter, year) for which remuneration is paid, members of the Supervisory Board of the Company were elected in a new composition or one or more members of these bodies were elected, the remuneration shall be paid in proportion to the time worked in the relevant period by each of these members of the said bodies.

1.3. The period of remuneration payment shall be the period between annual general meetings of shareholders, which for the purposes of this Procedure shall be the year for which the respective remuneration payments are made.

1.4. In cases of quarterly (interim) remuneration payments, a quarter is a quarter (in accordance with Article 147 of the Civil Code of the Republic of Uzbekistan) with the exception of:

- the first one, where the start date of the quarter is the date of the meeting of the Company's management body at which members of the Supervisory Board, Management Board and Audit Commission are elected, and the end date of the quarter coincides with the end date of the relevant quarter;

- the last one with the start date of the quarter coinciding with the start date of the respective quarter, and the end date of the quarter being the date of the meeting of the Company's management body at which the powers of the Supervisory Board, the Management Board and the Audit Commission were terminated or members of the Supervisory Board, the Management Board and the Audit Commission were elected (re-elected).

1.5. For the purpose of calculating and paying quarterly remunerations, the minimum wage (minimum wage) in force in the quarter for which the remuneration is accrued is accepted.

1.6. For the purpose of accrual and payment of additional annual remuneration, the minimum amount of remuneration in force is adopted on the date of adoption by the general meeting of shareholders of the decision on the payment of additional annual remuneration.

1.7. A member (members) of the Supervisory Board may refuse to receive the remuneration provided for in this Procedure, in whole or in part, by sending the Company an application for refusal to receive the remuneration.

1.8. For foreign specialists - senior employees of the company, appointed by a foreign founder, the amount of remuneration is established in the employment contract in a fixed amount. In this case, the remuneration and payments provided for by this Procedure do not apply to them.



## II. PROCEDURE FOR PAYMENT OF REMUNERATIONS AND COMPENSATIONS TO MEMBERS OF THE SUPERVISORY BOARD OF THE COMPANY.

2.1. By decision of the General Meeting of Shareholders, members of the Supervisory Board of the Company may be paid remuneration and (or) compensated for expenses related to the performance of the functions of members of the Supervisory Board for the period of their duties. The amount of such remuneration and compensation shall be established by resolution of the General Meeting of Shareholders.

2.2. The criteria for paying remuneration to members of the Supervisory Board are:

- participation in meetings of the Supervisory Board;
- voting on issues on the meeting agenda;
- fulfillment of the tasks assigned to the Supervisory Board;
- fulfillment of additional duties related to chairing the Supervisory Board;
- assistance in improving corporate governance in the Company.

2.3. The General Meeting of Shareholders of the Company may determine additional criteria when deciding on the payment of remuneration to members of the Supervisory Board of the Company.

2.4. The amount of fixed remuneration to members of the Supervisory Board of the Company is determined in the following order:

- to the Chairman of the Supervisory Board in the amount of 25 minimum wages per quarter;
- member of the Supervisory Board in the amount of 20 minimum wages per quarter;

2.5. Based on the results of an assessment of the corporate governance system conducted by an independent organization, the Chairman and members of the Supervisory Board of the Company may be paid additional annual remuneration in the following order:

- if the corporate governance system is assessed as "unsatisfactory" or "low"  
no remuneration is paid;
- if the corporate governance system is assessed as "satisfactory":
  - to the Chairman of the Supervisory Board in the amount of 20 minimum wages,
- each member of the Supervisory Board in the amount of 15 minimum wages;
- if the corporate governance system is rated "high":
  - to the Chairman of the Supervisory Board in the amount of 30 minimum wages;
  - each member of the Supervisory Board in the amount of 25 minimum wages.

2.6. Remunerations to members of the Supervisory Board of the Company are paid on a monthly basis based on the quarterly amount of remuneration, if necessary, with recalculation of the amount of remuneration based on the results of the reporting quarter, after the next quarterly meeting of the Supervisory Board, where the quarterly report of the Management Board is considered.

2.7. Members of the Supervisory Board are required to participate in meetings. Remunerations provided for by this Procedure are not paid to members of the Supervisory Board who did not participate in more than 75% of meetings without good reason.

2.8. Expenses of members of the Supervisory Board related to the performance of their duties are compensated in cases where appropriate documents are provided confirming these expenses (transportation expenses, living expenses and other expenses provided for by law and internal documents of the Company).

At the same time, the amount of compensation for such expenses should not exceed the amount of compensation for these expenses established by the legislation of the Republic of Uzbekistan and the internal documents of the Company.

2.9. Members of the supervisory board who are managers or deputy managers, as well as employees of government organizations, remuneration and (or) reimbursable expenses provided for by this Procedure and related to the performance of their functions are paid within one quarter in an amount not exceeding that provided for by a resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated April 26, 2019 No. 356 "On measures to further improve the state asset management system" and other legislative acts.

2.10. The Secretary of the Supervisory Board is paid a quarterly fixed remuneration in an amount that is a multiple of 5 minimum wages established in the Republic of Uzbekistan on the date of its payment.

2.11. The Chairman and members of the Commissions created within the structure of the Supervisory Board of the Company, during the period of performance of their duties, are paid a quarterly remuneration for the performance of the functions of Commission members in the amount of a multiple of 5 minimum wages established in the Republic of Uzbekistan on the date of its payment.

### **III. FINAL PROVISIONS.**

3.1. This Procedure shall come into force from the moment of its approval by the supreme governing body of the Company.

3.2. Disputes related to the implementation of payments established by this Procedure are considered by the Supervisory Board.

3.3. If it is impossible to resolve disputes in the corporate management bodies of the company, a person who believes that his legal rights and interests have been violated has the right to appeal to the judicial authorities in the manner established by the legislation of the Republic of Uzbekistan.

3.4. Additions and changes may be made to this Procedure in accordance with the decision of the supreme management body of the company.

3.5. If certain norms of the present Procedure come into contradiction with the current legislation of the Republic of Uzbekistan and/or the charter of a company, these clauses shall become invalid and in the part of issues regulated by these articles, the norms of the current legislation of the Republic of Uzbekistan and/or the charter of a company should be guided by the norms of the current legislation of the Republic of Uzbekistan and/or the charter of a company until the moment of making corresponding changes in the present Procedure.