

**“APPROVED”**  
**by the decision of the sole**  
**shareholder No. 13**  
**of “Uzkimyosanoat” JSC**  
**dated 2022 May 17**

**REGULATION**  
**ON DIVIDEND POLICY**  
**JOINT STOCK COMPANY**  
**“UZKIMYOSANOAT”**  
*(NEW EDITION)*

## **Section – I.**

### **General provisions**

1.1. This dividend policy of “Uzkimyosanoat” Joint Stock Company (hereinafter referred to as the Dividend Policy) has been developed in accordance to the laws of the Republic of Uzbekistan “On Joint Stock Companies and Protection of Shareholders’ Rights”, “On the Securities Market”, recommendations of the Corporate Governance Code and Corporate Governance Rules for Enterprises with state participation, approved by the minutes of the meetings of the Commission for improving the efficiency of joint-stock companies and improvement of the corporate governance system (dated February 11, 2016 No. 02-02/1-187 and dated April 27, 2018. No. 24/1-989), the charter of the joint-stock company “Uzkimyosanoat” (hereinafter referred to as the Dividend Policy) and other regulatory legal acts of the Republic of Uzbekistan.

1.2. For the purposes of this Dividend Policy, the following terms and concepts are used:

- dividend – part of the Company's net profit distributed among shareholders;
- Dividend policy – the Company's policy in the field of distribution of the Company's profit, that is, the distribution of dividends among shareholders;
- net profit – profit remaining at the disposal of the Company after paying taxes and other obligatory payments;
- dividend payout fund – the amount of net profit allocated for the payment of dividends on ordinary shares of the Company.

1.3. The main purpose of this Dividend Policy is to establish a transparent and understandable mechanism for shareholders to decide on the payment of dividends, determine the amount, procedure and timing of their payment.

1.4. The Company adheres to the residual policy of dividend payments. This policy assumes that the dividend payment fund is formed after the need for the formation of its own financial resources is satisfied at the expense of profit, ensuring the full implementation of the Company's investment opportunities.

1.5. This Dividend Policy is valid until January 1, 2024. After this period, the Company will adopt the next Dividend Policy based on the goals and objectives outlined in the Company's development strategy.

## **Section – II.**

### **Principles for calculating the amount of dividends**

2.1. The number of dividends is calculated based on the amount of the Company's net profit reflected in the Company's financial statements, the reliability of which is confirmed by an independent audit organization.

2.2. When calculating the number of dividends, the following principles are observed:

2.2.1. transparency of the mechanism for determining the number of dividends;

2.2.2. balance of short-term (receipt of income) and long-term (development of the Company) interests of shareholders;

2.2.3. focus on increasing the investment attractiveness and capitalization level of the Company.

### **Section – III.**

#### **The procedure for calculating the amount of dividends**

$$ADP_{osh} = \frac{DPF}{Q_{osh}}, \text{ where}$$

$ADP_{osh}$  – amount of dividend payments per ordinary share;

DPF – dividend payout fund;

$Q_{osh}$  – the number of ordinary shares placed by the Company.

The amount of dividend per one ordinary share of the Company is calculated with an accuracy of one kopeck.

3.3. At the same time, the size of the dividend payout fund (FDF) is calculated in the following sequence:

3.3.1. 5 % of the net profit is directed to the formation of the Company's reserve fund (until the size of the reserve fund established by the Company's charter is reached);

3.3.2. Part of the Company's net profit recommended by the Supervisory Board is used to form other funds of the Company;

3.3.3. Part of the Company's net profit recommended by the Supervisory Board is directed to the development of the Company, including the satisfaction of investment goals and needs of the Company, repayment of loans and other purposes;

3.3.4. Net profit, minus the amounts reflected in subparagraphs 3.3.1., 3.3.2. and 3.3.3. of this provision forms the dividend payout fund (FDF).

3.4. The Company declares the number of dividends without taking into account taxes on them.

3.5. The amount of dividend payments must be at least the level recommended by the State Assets Management Agency of the Republic of Uzbekistan.

3.6. The dividend is distributed among shareholders in proportion to the number and type of shares they own.

### **Section – IV.**

#### **The procedure for making a decision on the payment of dividends**

4.1. Making a decision (announcement) on the payment of dividends on outstanding ordinary shares is the right, but not the obligation of the Company. However, the Company is obliged to pay dividends declared for each type of shares.

4.2. To make a decision on the payment of dividends, the Supervisory Board of the Company submits recommendations on the amount of the dividend for consideration by the General Meeting of Shareholders.

4.3. When preparing recommendations, the provisions of the current legislation of the Republic of Uzbekistan are taken into account that:

4.3.1. the number of dividends cannot be more than recommended by the Supervisory Board of the company

4.3.2. the general meeting of shareholders has the right to decide on non-payment of dividends.

4.4. Based on the results of the first quarter, six months, nine months of the financial year and (or) based on the results of the financial year, the Company has the right to decide on the payment of dividends on placed shares.

4.5. The decision on the payment of dividends, the amount of the dividend, the form and procedure for its payment on the shares of the company is taken by the general meeting of shareholders.

4.6. The company's decision to pay dividends based on the results of the first quarter, six months and nine months of the financial year may be taken within three months after the end of the relevant period.

## **Section – V.**

### **Form, terms and order of payment of dividends**

5.1. Dividends are paid out of the net profit remaining at the disposal of the Company and (or) retained earnings of previous years.

5.2. By decision of the General Meeting of Shareholders of the Company, a dividend may be paid in cash or other legal means of payment or securities of the Company.

5.3. Dividends are paid:

5.3.1. legal entities in a non-cash form by transferring funds to their bank settlement accounts;

5.3.2. individuals in non-cash form by transferring funds to their plastic cards or deposit accounts on demand

5.4. The company is obliged, at the written request of a non-resident shareholder of the Republic of Uzbekistan, to convert the dividends accrued to it into a freely convertible currency, with the transfer of funds to a bank account provided by a non-resident shareholder.

5.5. According to the written order of the shareholder, dividends accrued but not paid to the shareholder may be used in accordance with the established procedure for the acquisition of the Company's shares.

5.6. The term and procedure for paying dividends are determined by the decision of the general meeting of shareholders. The term for payment of dividends may not be later than sixty days from the date of adoption of such a decision.

5.7. Persons registered in the register of shareholders of the Company, formed for holding a general meeting of shareholders, at which a decision was made to pay dividends to shareholders, are entitled to receive dividends on shares.

5.8. Dividend not claimed by the owner or his legal successor or heir within three years, by decision of the general meeting of shareholders, remains at the disposal of the Company.

5.9. In case of non-payment (non-receipt) through the fault of the Company of dividends within the terms established by the general meeting of shareholders, a penalty is charged on unpaid (non-received) dividends based on the refinancing rate established by the Central Bank of the Republic of Uzbekistan. The amount of penalty accrued on unpaid (unreceived) dividends shall not exceed 50 percent of the amount of unpaid (unreceived) dividends. Penalty for the period of delay in the payment of dividends is accrued from the day following the day of expiration of the dividend payment period

5.10. The shareholder has the right to demand the payment of dividends and penalties accrued by the Company in court. If the Company fails to pay dividends when the court satisfies the requirements of the shareholder in relation to the Company, the procedure for eliminating insolvency or declaring bankrupt is applied in the manner prescribed by law.

5.11. Shareholders must notify the Company in a timely manner of bank settlement accounts to which it is necessary to transfer the dividends due to them. In cases where the shareholder does not provide information on bank settlement accounts to which accrued dividends must be transferred, the Company shall not be liable for the losses caused to the shareholder in connection with this.

## **Section – VI.**

### **Restrictions on the payment of dividends**

6.1. The Company is not entitled to make decisions on the payment of dividends in the following cases:

- if at the time of payment of dividends there are signs of bankruptcy or these signs will appear in the Company as a result of payment of dividends;
- if the value of the Company's net assets is less than the sum of its authorized fund (authorized capital) and reserve fund.

6.2. Upon termination specified in paragraph 6.1. of this provision of circumstances, the Company is obliged to pay accrued dividends to shareholders.

6.3. Dividends are not accrued on own repurchased shares of the Company.

## **Section – VII.**

### **Notification of shareholders on the payment of dividends**

7.1. In accordance with the Laws of the Republic of Uzbekistan “On Joint Stock Companies and Protection of the Rights of Shareholders”, “On the Securities Market”, as well as the “Rules for the provision and publication of information by participants in the securities market” (reg. No. 2383 dated 31.07.2012) income

from the Company's securities will be published on the official website of the Company ([www.uzkimyosanoat.uz](http://www.uzkimyosanoat.uz)) and the Unified Portal of Corporate Information ([www.openinfo.uz](http://www.openinfo.uz)) within two working days from the date of drawing up the relevant protocol of the authorized body of the Company.

## **Section – VIII.**

### **Final provisions**

8.1. This Regulation shall enter into force upon its approval by the General Meeting of Shareholders.

8.2. If one of the rules of this provision is no longer valid, this rule is not a reason for the suspension of other rules.

8.3. If the current legislative acts of the Republic of Uzbekistan establish other provisions than provided for by this provision, then the rules of the current legislative acts of the Republic of Uzbekistan shall apply.

8.4. From the date of approval of this provision by the general meeting of shareholders, the previously approved regulation "On the dividend policy" of "Uzkimyosanoat JSC" and the amendments and additions made to it become invalid.