

APPROVED  
by decision of the general meeting of shareholders

JSC "Uzbekexpertiza"

June 10, 2016.

**REGULATION  
ON DIVIDEND POLICY OF  
JOINT STOCK COMPANY  
"UZBEKEXPERTIZA"**

## **I.GENERAL TERMS**

1. This Dividend Policy of the Joint Stock Company "Uzbekexpertiza" (hereinafter referred to as the "Policy") has been developed in accordance with the current legislation of the Republic of Uzbekistan, the Charter of the Joint Stock Company "Uzbekexpertiza" (hereinafter referred to as the "Company"), the Corporate Governance Code approved by the resolution of the Commission for Improving the Efficiency of the Activities of Joint Stock Companies and Enhancing the Corporate Governance System dated December 31, 2015, No. 9, and other internal documents of the Company.

This Policy outlines general matters that should be reflected and disclosed in the dividend policy of the Joint Stock Company "Uzbekexpertiza"

The Company's dividend policy is aimed at improving the welfare of shareholders and ensuring growth of the Company's capitalization. The purpose of the Regulations is to inform shareholders and other interested parties about the dividend policy of the Company.

These Regulations are intended to determine the approach of the Supervisory Board of the Company to the development of recommendations on the amount of dividends on shares and the procedure for their payment.

If any issues related to payment of dividends to shareholders of the Company are not regulated by the norms of the Law of the Republic of Uzbekistan "On Joint Stock Companies and Protection of Shareholders' Rights", other normative legal acts of the Republic of Uzbekistan, the Charter of the Company and these Regulations, they shall be resolved based on the need to ensure the rights and interests of shareholders.

This dividend policy has been developed for the period 2016-2018.

During this period JSC "Uzbekexpertiza" intends to allocate at least 30% of net profit for dividend payment. The remaining funds will be allocated for the development of the Company, with subsequent capitalization into the authorized capital and other payments established by the legislation of RUz. and internal documents of the Company.

2. The Company considers the growth of capitalization as the main way to satisfy the property interests of shareholders to extract income from the Company's shares. The dividend policy consists in optimizing the proportions between the consumed and capitalized parts of the profit received by the Company in order to increase the market value of shares.

3. The Company's dividend policy is based on the following main principles:

the principle of transparency, which implies the definition and disclosure of information on the obligations and responsibilities of the parties involved in the implementation of the dividend policy, including the procedure and conditions for making decisions on the payment and amount of dividends;

the principle of timeliness, which implies the establishment of time limits for dividend payments;

the principle of reasonableness, which implies that the decision on payment and amount of dividends may be made only if the Company achieves a positive financial result, taking into account development plans and its investment programs based on the actual financial position of the Company;

the principle of fairness, which implies ensuring equal rights of shareholders to receive information on decisions on payment, amount and procedure of dividend payment;

the principle of consistency, which implies strict compliance with the procedures and principles of the dividend policy;

the principle of development, which implies continuous improvement of the dividend policy within the framework of improvement of corporate governance procedures and revision of its provisions in connection with changes in the Company's strategic goals;

the principle of sustainability, which implies the Company's striving to ensure a stable level of dividend payments.

4. Adoption of a decision (announcement) on payment of dividends on outstanding shares is the right of the Company. The General Meeting of Shareholders has the right to make a decision on payment or non-payment of dividends on shares.

5. Payment of declared dividends is an obligation of the Company.

Expenses related to the payment of dividends (including expenses on calculation and withholding of taxes, transfer of dividends, postage expenses) may not be imposed on the shareholder receiving dividends by the decision of the governing bodies. The Company shall be liable to shareholders for failure to fulfill this obligation in accordance with the current legislation of the Republic of Uzbekistan.

6. Dividends shall not be accrued and paid on shares:  
not placed;

purchased and/or repurchased by the Company itself;

in other cases stipulated by the legislation of the Republic of Uzbekistan.

7. In cases stipulated by part one of Article 54 of the Law "On Joint Stock Companies and Protection of Shareholders' Rights" the Company shall not be entitled to pay and make decisions on payment of dividends on shares.

## **II. PROCEDURE FOR DETERMINING THE AMOUNT AND PAYMENT OF DIVIDENDS**

8. The Company shall have the right, 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, to make decisions (declare) on payment of dividends on shares other than those specified in paragraph 8.

The decision to pay (announce) dividends based on the results of the first quarter, six months and nine months of a financial year may be made within three months after the end of the relevant period.

Dividends shall be paid out of the net profit of the company remaining at the disposal of the company and (or) undistributed profit of previous years. Dividends on preferred shares may also be paid out of the company's funds specially designated for this purpose. At the same time, for the purpose of timely payment of dividends and prevention of deterioration of the Company's financial condition due to withdrawal of funds from turnover for payment of dividends, the Company shall create a reserve for uncollectible accounts receivable at the expense of the Company's profit.

9. The General Meeting of Shareholders of the Company makes decisions regarding the payment (declaration) of dividends for each category of shares. The Company's Board of Directors presents recommendations to the General Meeting of Shareholders regarding the dividend amount for shares and the procedure for their distribution. The dividend amount cannot exceed the recommendation provided by the Board of Directors.

10. The decision of the general meeting of shareholders regarding the payment (declaration) of dividends should specify:

The category (type) of shares for which dividends are paid.

The amount of the dividend per share of a particular type.

The timing, procedure, and frequency of dividend payments.

Furthermore, the Company is not allowed to make a decision to accrue (pay) dividends in cases stipulated by legislation, nor when it is impossible to fully pay dividends on common shares within the timeframes set by the legislation.

11. The recommended dividend amount for shares, which is presented to the General Meeting of Shareholders, is determined by the Board of Directors in accordance with the guidelines of the Ministry of Finance of the Republic of Uzbekistan. It is also based on the following factors:

The net profit according to the financial statements, confirmed by an audit opinion;

The financial and economic plans of the Company for future periods;

The structure of the Company's current assets at the end of the relevant period;

The company's debt load at the end of the relevant period.

12. While determining the amount of recommended dividends, the Supervisory Board should take into account the financial and business plans of the Company for subsequent periods, current and prospective state of current assets and liabilities of the Company. Payment of dividends recommended by the Supervisory Board to the General Meeting of Shareholders of the Company shall not result in the Company attracting additional debt financing or other expenses not envisaged by the approved financial and business plan for subsequent periods.

### **III. PROCEDURE AND TIMELINES FOR PAYMENT OF DIVIDENDS**

13. The Company shall pay dividends in cash or other legal means of payment or securities of the Company. Declared dividends shall be paid in national currency of the Republic of Uzbekistan or on written request of non-resident shareholder of the Republic of Uzbekistan the company shall be obliged to convert into freely convertible currency the dividends accrued to him with transfer of funds to the bank account submitted by non-resident shareholder.

14. The period for payment of dividends shall be established by resolution of the General Meeting of Shareholders of the Company, but may not exceed 60 days from the date of adoption of the resolution on payment of dividends by the General Meeting of Shareholders.

15. If the owners of the Company's stock failed to get the dividends within the period established by the General Meeting of Shareholders, the Company shall continue payment of such (unclaimed) dividends. The period of payment of unclaimed dividends may not be more than three

years from the date of expiration of the period of fulfillment of the Company's obligation to pay declared dividends.

16. In case of non-payment (non-receipt) of dividends through the fault of the company within the terms established by the General Meeting of Shareholders, a penalty shall be accrued on unpaid (unreceived) 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.

17. The structural subdivision of the Company, which has among its functions the organization and conduct of work with shareholders, together with the accounting department of the Company shall prepare, coordinate and carry out all measures for the organization of payment of dividends by the Company provided for by these Regulations.

18. Any shareholder shall have the right to request the Company to provide information on the procedure for calculating dividends on shares, the procedure for accrual and taxation of the amount of dividends, and the terms of payment.

19. Persons recorded in the Company's register of shareholders, formed for the General Meeting of Shareholders, at which the decision on payment of dividends to shareholders was made, are entitled to receive dividends on shares.

20. In case the shares are in shared ownership, the dividend is distributed among shareholders in proportion to their share in accordance with the established procedure.

21. A shareholder is obliged to timely inform the investment intermediary and/or the Central Securities Depository, providing services on accounting of rights to his/her shares, about changes in his/her data. In case the Shareholder fails to provide information on changes in his/her data, the Central Securities Depository and/or the Central Securities Depository providing services on registration of rights to his/her shares shall not be liable for losses caused to the Shareholder in this regard.

22. If a shareholder has incorrectly indicated his/her bank details or address for transfer of dividends, or has not informed the Company about the indicated details, or has not informed the Company about them in due time, the Company shall not be liable for the losses caused to the shareholder in this connection. After the Company returns to the shareholder the amounts of dividends incorrectly transferred to the Company due to the shareholder's fault for the reasons specified in this paragraph, their re-transfer to the shareholder according to the clarified details shall be made less the expenses for their return and re-transfer.

23. The Company is a tax agent for payment of income to shareholders on stocks owned by them and makes payment of accrued dividends less taxes on receipt of income on securities established by the current legislation of the Republic of Uzbekistan. A shareholder, to whom standard taxation rates shall not be applied, provides the supporting documents established by the current legislation of the Republic of Uzbekistan to the Company (the Paying Agent engaged by it).

#### **IV. RESPONSIBILITY FOR PAYMENT OF DECLARED DIVIDENDS**

24. The Company is obliged to pay the declared dividends on each type of shares.

25. When dividends are paid, no shareholder has an advantage in the timing of payments. Payment by the Company of accrued dividends on common shares shall be made in compliance with equal rights of shareholders to receive dividends. At the same time, the Company is not allowed to pay dividends to a major shareholder if this will result in failure to ensure payment of dividends to minority shareholders within the established deadlines.

26. The executive body of the Company shall be responsible for full and timely payment of dividends to the shareholders of the Company. Control over the actions of the executive body shall be exercised by the Supervisory Board of the Company together with the Audit Commission of the Company.

27. In order to ensure payment of dividends accrued, the Supervisory Board shall consider at its meetings the progress of dividend payment. In case of incomplete or untimely payment of dividends due to the fault of the executive body of the Company, the Supervisory Board shall determine the measures of responsibility of guilty persons and apply appropriate sanctions or initiate their application.

28. In case the Company fails to fulfill its obligations, shareholders have the right to demand payment of declared dividends on shares of each type in court.

29. For non-performance or improper performance of the Company's duties as a tax agent on withholding and transfer of tax amounts from dividends, the Company shall be liable in accordance with the legislation of the Republic of Uzbekistan.

#### **V. INFORMATION DISCLOSURE ORDER**

30. The present Regulation, as well as changes and additions made to it, is disclosed by the Company on its corporate website in the Internet during ten days after signing the protocol of the meeting of the Company's management body, where the relevant decision was made.

31. When the General Meeting of Shareholders decides to pay dividends, the Company discloses information in the form of statements of material facts within the terms established by law. At the same time, the Company sends a notice to shareholders by e-mail on the accrual of dividends.

32. Upon fulfillment by the Company of its obligations to pay dividends, the Company discloses relevant information in the form of statements of material facts within the terms established by law.

#### **VI. FINAL TERMS**

33. This Regulation, as well as its changes and additions, is approved by the decision of the general meeting of shareholders.

34. Changes and additions to this Regulation are made upon the proposal of members of the Company's board of directors, the Company's audit committee, the Company's internal audit service, and the executive body of the Company.

35. If individual articles of this Regulation come into conflict with the existing legislation of the Republic of Uzbekistan and/or the Charter of the Company, these articles become invalid, and with regard to the issues regulated by these articles, the norms of the existing legislation of

the Republic of Uzbekistan and/or the Charter of the Company should be followed until the corresponding changes are made to this Regulation.