

«Approved»
by decision of the sole shareholder of
Uzbekiston Temir Yullari Joint Stock Company,
dated « 30 » September, 2016r, №10

REGULATIONS
on a sole shareholder of
Uzbekiston Temir Yullari JSC

I. GENERAL PROVISIONS

1. These Regulations determine the competence and regulate the work of a sole shareholder of Uzbekistan Temir Yullari Joint Stock Company (hereinafter - the Company).

2. These Regulations were developed in accordance with the Law of the Republic of Uzbekistan "On Joint Stock Companies and Protection of Shareholders' Rights" (hereinafter - the Law), other regulatory and legal acts, the Company's Charter, and the Corporate Management Code, approved by the minutes of the meeting of the Commission on increasing the efficiency of joint-stock companies and improvement of the corporate governance system dated December 31, 2015 No. 9.

3. The owner of all ordinary shares of society is an authorized state body.

4. Decisions on issues within the competence of the general meeting of public shareholders are made by the sole shareholder of society (State trustee) only on the basis of a trust management agreement concluded with an authorized state body and formalized in writing.

5. The sole shareholder of the Company shall exercise its office powers on the basis of a legal act on its appointment to the position and an identity document.

6. The sole shareholder of the Company shall hold the meeting annually, not later than six months after the end of the fiscal year.

7. The meetings of the sole shareholder of the Company conducted in addition to the annual meeting, shall be extraordinary.

II. COMPETENCE OF THE SOLE SHAREHOLDER OF THE COMPANY

The competence of the sole shareholder of the Company shall include:

introduction of amendments and additions to the Company's Charter including those related to the increase of the Company's charter capital (authorized capital) and reduction of the number of authorized shares of the Company;

reorganization of the Company;

liquidation of the Company, appointment of a liquidator (liquidation commission) and approval of an interim and final liquidation balance sheet;

approval of the organizational structure of the Company;

conclusion of employment contracts on behalf of the Company with the chairman and members of the Management Board of the Company, after their appointment in accordance with the established procedure;

approval of the resolution on the issue of securities (shares, bonds) and the issue prospectus;

making changes and/or additions to the decision on the issue of securities (shares, bonds) and the issue prospectus and approval of their text;

determination of the maximum amount of the authorized shares;

acquisition by the Company of its own shares;

decision on splitting and consolidation of the Company's shares;

decision-making on the issue of derivative securities;

decision on the issue of corporate bonds by the Company, including those convertible into shares;

decision-making on the redemption of corporate bonds of the Company;

decision-making on the non-use of the preemptive right provided for in Article 35 of the Law of the Republic of Uzbekistan "On joint-stock companies and protection of shareholders' rights";

distribution of profits and losses of the Company;

approval of members of the Audit Commission and early termination of their powers;

approval of the Company's regulations on the Audit Commission, on internal control, on dividend policy, on the procedure for dealing with conflicts of interest;

hearing of conclusions of the Audit Commission of the Company on the issues within their competence, including compliance with the requirements established by the legislation for the management of the Company;

conclusion of employment contracts on behalf of the Company with employees of the internal audit service of the Company, after their appointment in accordance with the established procedure;

establishment of requirements in the form and content of a report of the Company's management and control bodies;

approval of an annual report, business plan and development strategy of the Company for a medium and long term (for more than 5 years) with the definition of its specific terms, based on the main directions and purpose of the Company's activities;

making a decision to conduct an annual analysis of the correspondence of business processes and projects to the goals of the development of the company with the involvement of independent professional consultancy organizations and hearing the results of the analysis;

making a decision to conduct an audit, including on the conduct of an external audit of the Company's financial statements compiled in accordance with international financial reporting standards, the definition of an audit organization and the maximum amount of payment for its services;

decision-making on the issues specified in parts two and three of Article 84 and part five of Article 88 of the Law;

decision-making on the amount, form and procedure for dividend payment;

establishment of remuneration and/or compensations paid to the Company's Management Board, as well as their limited amounts;

making a decision on undertaking the obligation by the Company to follow the recommendations of the Corporate Management Code and approval of the form of communication;

resolution of other issues in accordance with the current legislation of the Republic of Uzbekistan and the Charter of the Company.

8. The issues referred to the competence of the sole shareholder of the Company can not be transferred for decision to the Council and/or the executive body of the Company.

9. The composition of the Council of the Company shall be determined by the resolution of the President of the Republic of Uzbekistan

10. Members of the executive body (Management Board) of the Company shall be appointed by the Cabinet of Ministers of the Republic of Uzbekistan in consultation with the President of the Republic of Uzbekistan.

11. At the meeting of the sole shareholder of the Company, a representative of the audit organization that conducted the audit, employees of the internal audit service, members of the Council, the Audit Commission, the executive body of the Company may be present. Representatives of the Council and the Audit Commission of the Company, as well as representatives of the audit organization shall personally attend the annual meeting of the sole shareholder of the Company with the reports of their bodies.

III. ANNUAL MEETING OF THE ONLY SHAREHOLDER OF THE COMPANY

12. For the qualitative preparation and holding of the meeting of the sole shareholder of the Company within the time period established in clause 6 of these Regulations, the executive body shall implement the following:

conclude agreements with audit organizations selected by the decision of the sole shareholder of the Company to conduct an audit, including the preparation of financial statements in accordance with International Financial Reporting Standards, external audit in accordance with International Audit Standards, specifying specific deadlines for completing the audit in the contract;

ensure publication of annual financial statements compiled in accordance with International Financial Reporting Standards, following an external audit in accordance with International Audit Standards.

the executive body of the Company shall also develops (prepare):

projects for the distribution of net profits (loss coverage) with the attachment of justifications for each direction and other documents to be considered at the meeting of the sole shareholder;

information on nominated candidates to the Audit Commission (auditors) of the Company, etc.;

annual report and annual business plan of the Company, as well as a draft strategy for the development of the company for a medium and long term, with the definition of its specific terms based on the main directions and objectives of the company's activities;

a report of the executive body on the implementation of the parameters of the business plan and on the measures taken to achieve the development strategy of the company;

conduct a competition to select an audit organization to conduct an audit.

13. The information (materials) to be provided to the sole shareholder of the Company in preparation for the meeting shall include the annual report of the Company, the opinion of the Audit Commission of the Company and the audit organization following the results of the audit of the Company's annual financial and economic activities, the draft amendments and additions to the Company's Charter, or the draft of the Company's Charter in a new edition, as well as the Company's development strategy for a medium and long term and other necessary information on the agenda, including the position of the Company's Council regarding the agenda of the meeting.

14. The list of additional information (materials), mandatory or granting to the sole shareholder of the Company in preparation for the meeting, may be established by the authorized state body for regulation of the securities market.

15. The issue on the agenda of the meeting of the sole shareholder of the Company shall be introduced in writing specifying the motives for its setting.

16. For the annual consideration of issues and making decisions by the sole shareholder of the Company, the executive body and the Audit Commission of the Company, not later than

seven calendar days before the date of the decision by the sole shareholder of the Company, it shall be provided with the following documents and information:

a report of the executive body of the Company on the results of the Company's activities for the reporting year and the results of the implementation of the Company's annual business plan;

a report of the Audit Commission of the Company on the matters within its competence and the opinion of the Audit Commission on the audit of the Company's financial and business operations for the reporting year;

an opinion of the audit organization on the audit of the Company's financial and economic activities;

an annual report of the Company, while the reliability of the data contained in the financial statements of the Company, provided to the sole shareholder of the Company for approval, shall be confirmed by the audit organization that is not connected with the Company or the sole shareholder of the Company with property interests;

proposals on the order of distribution of profits;

information on members of the Management Board of the Company;

information on candidates for membership in the Audit Commission of the Company;

recommendations of the Council on the amount of remuneration and compensation to be paid to members of the Audit Commission of the Company;

draft amendments and additions to the Charter of the Company, or draft of the Company's Charter in a new edition.

IV. EXTRAORDINARY MEETING OF THE SOLE SHAREHOLDER OF THE COMPANY

17. An extraordinary meeting of the sole shareholder of the Company shall be held on its own initiative;

by decision of the Company's Council;

upon written request of the Audit Commission of the Company;

upon written request of the head of the executive body of the Company.

18. The request to hold an extraordinary meeting of the sole shareholder of the Company shall contain the issues to be included in the agenda of the meeting, specifying the motives for their inclusion.

19. The request to convene an extraordinary meeting of the sole shareholder of the Company shall be signed by the person requesting the convocation of an extraordinary meeting of the Company's sole shareholder.

20. Within ten days from the date of presentation of the request by the Council, the Audit Commission or the head of the executive body of the Company, the sole shareholder of the Company shall decide on the date, time, place of consideration of the issues submitted for consideration, or refusal to consider the said issues.

21. The notification of the decision to hold an extraordinary meeting of the sole shareholder of the Company or a reasoned decision to refuse it shall be sent to the persons requesting its convocation, not later than three working days from the moment of its adoption.

22. In the event that an extraordinary consideration by the sole shareholder of the Company of the issues falling within its competence is carried out on its own initiative, the sole shareholder of the Company shall draw up a list of issues submitted for consideration and notify the Council and the executive body of the Company of the date, time, place of consideration and making decisions on the specified questions, and also about the necessity of preparation of the corresponding information (materials) and documents.

23. The Council, the Audit Commission, the executive body of the Company shall, not later than seven calendar days before the date of making decisions by the sole shareholder of the Company, provide it with all necessary information (materials) and documents on the issues under consideration.

24. The Council of the Company shall have no right to make changes in the wording of the issues on the agenda of the meeting of the sole shareholder of the Company convened at the request of the Company's Audit Commission.

V. DECISIONS OF THE SOLE SHAREHOLDER OF THE COMPANY

25. Decisions on the following issues shall be taken by the sole shareholder of the Company on the recommendation of the Company's Council:

distribution of profits and losses of the Company, including decision-making on the amount, form and procedure for payment of dividends;

establishment of the amount of remuneration and compensation to be paid to the members of the Audit Commission of the Company.

26. The decision on the payment, amount, form and procedure for payment of dividends shall be made by the sole shareholder of the Company on the basis of financial statement data, if there is an external audit conclusion on its reliability.

27. The sole shareholder of the Company shall be entitled to make a decision on non-payment of dividends on ordinary shares.

28. The decision on the payment of dividends shall indicate the date of commencement and completion of the payment of dividends.

29. The decisions adopted by the sole shareholder of the Company shall be made in writing.

30. The decision of the sole shareholder of the Company shall specify:

date, time and place of decision-making;

invited persons;

list of the issues submitted for consideration of the Company's sole shareholder;

decisions made.

31. The decision of the sole shareholder of the Company shall be executed in two copies not later than ten days after the decision is made. The decision shall be signed by the sole shareholder of the Company or its authorized person.

32. The decisions adopted by the sole shareholder of the Company shall be submitted to the executive body of the Company on the day of its signing for execution.

33. The decisions adopted by the Company's sole shareholder, after execution, shall be transferred to the Company's archives for storage.

34. The sole shareholder of the Company shall have the right to get access to documents on the activities of the Company in accordance with the procedure established by law.

35. The head of the department for corporate relations with shareholders of the Company or another appointed manager may act as the secretary of the meeting of the sole shareholder of the Company.

36. The secretary of the meeting of the sole shareholder of the Company shall:

record the course of the meeting;

keeps a record of those wishing to take part in the discussion of issues on the agenda of the meeting on written applications;

draw up minutes of the meeting of the sole shareholder of the Company in duplicate not later than ten days after closing of this meeting.

37. The minutes of the meeting of the sole shareholder of the Company shall state:
date, place and time of the meeting of the sole shareholder;
main provisions of speeches, the issues put to the consideration of the sole shareholder;
in the case of audio and video recording and broadcasting of the meeting on the Internet,
the above information shall also be indicated.

38. Both copies of the minutes of the meeting of the sole shareholder of the Company shall be signed by the sole shareholder of the Company and by the secretary of the meeting.

VI. IMPLEMENTATION OF DECISIONS OF THE SOLE SHAREHOLDER

39. Within two working days, from the date of adoption of the decision by the sole shareholder of the Company, the information about shall be published and be subject to disclosure it in the notice of material fact.

40. The Company shall also publish the relevant information on the official website of the stock exchange.

41. Control over the implementation of the decisions made by the sole shareholder of the Company shall be exercised by the Council and the executive body of the Company.

VII. FINAL PROVISIONS

42. These Regulations may be amended and/or added based on changes in the applicable legislation or amendments and/or additions made to the Company's charter.

43. Amendments and/or additions shall come into force from the moment of their approval by the decision of the sole shareholder of the Company, unless a specific date is indicated in this decision.