

APPROVED
the minutes of the meeting of the Supervisory
Board of JSC "Uzavtosanoat"
dated from June 29, 2016 No. 3-2016

**Regulation¹
on the management Board of joint stock company "Uzavtosanoat"**

I. General provisions

1.1. This Regulation defines the status and reglamentary the work of the Executive body of the joint stock company "Uzavtosanoat" (hereinafter the Company), procedure of appointment of its members and the rights and responsibilities of each member. Under the Executive body shall mean the collective Executive body - the management Board.

1.2. The regulation was developed in accordance with the Law of the Republic of Uzbekistan "On joint-stock companies and protection of shareholders 'rights" and the Company's Charter, corporate governance Code approved by minutes of the meeting of the Commission on increase of efficiency of activity of joint-stock companies and improve the corporate governance system from 31.12.2015 No. 9 and other internal documents of the Company.

II. The formation of the Board

2.1. The Board consists of a Chairman and three deputies. The Chairman of the Board and his deputies shall be elected by the Sole shareholder of the Company, subject to approval by the Cabinet of Ministers of the Republic of Uzbekistan in coordination with the President of the Republic of Uzbekistan. Directs The Board Chairman. Consideration and approval of nominations for membership of the Board is made in a personal manner. Candidate Board members shall inform the Company about the facts of bringing him to criminal responsibility.

Presenting to the Sole shareholder a particular candidate to the management Board, Chairman of the Supervisory Board informs about the conditions of the conclusion with the applicant of an employment contract, the amount of remuneration for management activity.

After approval, each member of the Board, including the Chairman, is the employment contract for a period of one year with the annual decision on the prolongation or termination. The employment contract shall be signed by the Chairman of the Supervisory Board of the Company.

The Chairman of the Board shall form and head the Executive office of the company, determines in coordination with the Sole shareholder structure of the company, is responsible for performing the objectives, distributes responsibilities between members of the management Board.

2.2. Member of the Board for violation of the Charter of the Company, as well as conditions of a labour agreement can be revoked from his position with the

¹ This Regulation was approved in Russian. Translation of the text into English is informative. If there are any ambiguities, should be referred to the text of the Regulation in Russian.

simultaneous termination of the employment contract. The decision to recall the member of the management Board and termination of his employment contract was adopted by the Sole shareholder of the Company.

The sole shareholder has the right to early termination of the employment contract with the Chairman of the Board, assuming they gross violations or failure of performance of approved parameters of the annual business plan of the Company.

III. Competence and composition of the Board

3.1. The competence of the Board of AK are:

- all issues of current activities of the Company, except for issues assigned to the exclusive competence of the Sole shareholder or the competence of the Supervisory Board;
- transactions related to the provision of a loan, guarantee, financial (sponsorship/fundraising) assistance, mortgage, alienation of immovable property, with the exception of transactions, conclusion of which is within the competence of the Sole shareholder and the Supervisory Board;

3.2. The Board is the Sole shareholder an annual report on the results of operations of the Company previously approved by the Supervisory Board and provides the Supervisory Board with quarterly reports on the results of operations of the Company for the corresponding quarter. The management Board is responsible for all activities of the Company and for the proper and diligent conduct of his office. Board decisions are taken by simple majority of votes. The right to vote, the Chairman will.

3.3. The quantitative composition of the Board is determined by the Charter of the Company.

3.4. The members of the management Board act within the competence defined by the Charter of the company, these regulations and conditions of concluded employment contracts with them, the Sole shareholder's decisions, Supervisory Board, Board of Directors and the instructions of the Chairman of the Board.

3.5. The Board of the Company prepares and provides regular progress reports and achievement of indicators of activity of the enterprises included in its composition, approved their business plans.

3.6. The Board of the Company implements the requirement about execution by officials of their duties on a professional basis, the reasonable fulfilment of all their obligations under the legislation, the Charter and decisions of the management bodies of the Company.

3.7. The Board of the Company ensures compliance with the Company's organizational structure model the structure approved by the decree of the President of the Republic of Uzbekistan from 24.04.2015 № PD-4720 "on measures On introduction of modern methods of corporate management in joint-stock companies" taking into account the size and industry specifics of the Company.

3.8. Financial incentives of Board members is dependent on the effectiveness of the Company. The members of the Board subject to the incentives and material incentives provided for the employees of the company by the terms of the collective agreement, other internal local acts of the Company.

IV. The Chairman Of The Board

4.1. Chairman of the management Board independently solves all questions of activity of the Company, with the exception of the exclusive competence of the Sole shareholder, Supervisory Board or management Board of the Company.

4.2. The Chairman of the Board is entitled:

- to issue orders and give instructions obligatory for execution by employees of the Company;

- to act without power of attorney on behalf of the Company, including to represent its interests;

- to grant powers of attorney to other persons;

- to appoint the head of branch or representation of the Company;

- to enter into transactions on behalf of the Company except for transactions that falls within the competence of the Sole shareholder, the Supervisory Board and the management Board of the Company;

- to dispose of property and funds within the transaction or several interrelated transactions related to acquisition or alienation or possibility of alienation by the Company directly or indirectly of property the cost of which is to fifteen percent of the book value of the assets of the Company as at the date of the decision on conclusion of such transactions;

- to approve the staffing;

- to enter into and terminate employment contracts with employees of the Company, to determine the form and amount of remuneration for their labor, material and other incentives;

- to make hiring, firing, movement and transfer of employees of Executive apparatus of the Company and of officers of branches, agencies and unitary enterprises;

- to open accounts in banks;

- to be duly submitted to the Government the projects of legislative and other regulatory acts on issues falling within the competence of the Company;

- to approve the statutes of the unitary enterprises;

- to approve the main parameters of the forecast of production and economic activities of the Company, staffing Executive office of the Company, estimates of the cost of maintaining the Executive office, and conduct their staffing;

- to approve provisions on bonuses for employees of the Executive office, set salaries and allowances to them, as well as various kinds of payments and compensation payments for social protection of employees of the Executive office to encourage employees of the Executive office;

- to award in the prescribed manner and leading employees of the Executive apparatus of the Company badges, honorary titles and diplomas for the industry to use other types of promotion;

- in the manner prescribed by law to take decisions on writing off the Company's balance sheet amounts to be uncollectible debts, obsolete and physically worn-out property costs on terminated or unrealized works on the basis of materials provided by the relevant departments of the;

- to make decisions about the conduct of audit of financial-economic activity of the unitary enterprises that are part of the Company, to review their results and take decisions and necessary measures to remedy deficiencies.

4.3. The Duties Of The Chairman Of The Board:

- implementation within its competence of leadership of the Company's current activities, except issues referred to the exclusive competence of the Sole shareholder and the Supervisory Board, providing its effective and stable work;
- the organization of execution of decisions of the Sole shareholder and the Supervisory Board of the Company;
- ensuring efficient interaction between structural subdivisions of the Company;
- enforcing contractual obligations of the Company;
- making profit;
- leadership development programs and business development plans of the Company, organization and control of their execution;
- ensuring compliance with the requirements of the legislation in activity of the Company;
- the organization, proper condition and accuracy of accounting and reporting in the Company, timely submission of annual report and other financial reporting in corresponding bodies, as well as information about Company activities submitted to the shareholders, creditors and other recipients of information;
- seamlessly provide documents on financial-economic activities of the Company at the request of the Supervisory Board, audit Commission or auditor;
- ensuring the completeness and timeliness of providing state statistical reporting to the relevant authorities;
- preservation of information constituting a commercial secret of the Company if the responsibilities do not include the transfer of such information to third parties.
- preservation of information constituting an official or commercial secret of the Company's employees;
- organization of Executive Board meetings, signing documents on behalf of the Company, protocols of meetings of the Board;
- the adoption of measures to ensure the Company qualified personnel for the best use of knowledge, skills, experience and abilities of the employees of the Company;
- maintain labor and technological discipline;
- ensuring compliance with social safeguards and protection of workers;
- the participation of representatives of the Board in collective bargaining. Acting as the employer for collective bargaining and agreements. The commitments under the collective agreement;
- giving deadlines to the Sole shareholder and the Supervisory Board reports on the state of Affairs, within its competence;
- all rights of the Sole shareholder on the receipt provided by law to information, participation in adopting the decisions of the Sole shareholder, the calculation and payment of dividends to the shareholder;
- compliance with internal documents, existing legislation and other normative acts.

4.4. Specific rights and duties of the Chairman of the management Board are stipulated in the employment contract with him.

V. The work procedure of the Board

5.1. Board meetings are held as needed, but not rarer than 1 time per quarter.

The point of view of the management Board by the Supervisory Board and the meeting of the Sole shareholder reports and defends the Chairman of the Board or authorized Board member.

5.2. Board meetings are held by the Chairman of the Board, or, in case of his absence - the acting member of the Board, which approves a duly executed Protocol.

5.3. The minutes of the Board meetings organized by the Head of administration and control of documents execution or his Deputy. Extracts from the minutes of the meetings of the Board issued:

the head of the Supervisory Board and the head of the audit Commission at their request;

at the request of other persons and the auditor only with the permission of the Chairman of the Board.

VI. The liability of the members of the Board

6.1. If a Board member is financially or otherwise interested in the transaction, one side of which is a Company obliged to inform about their interest until the time of the decision. In this case, the question the transaction shall be submitted to the decision of the Supervisory Board or the Sole shareholder in accordance with applicable law and the Charter of the Company.

6.2. Board members must not use the rights provided by their official position, in the goals and interests of other legal entities and individuals.

6.3. Board members should not allow actions on obtaining of self-profits from the disposal of property of the Company.

6.4. The members of the Board during the period of his work in this capacity have no right to establish or participate in establishment of enterprises the activity of which creates difficulties with sales of products or provision of services by the Company or its businesses. Member of the management Board is obliged to suspend its participation in such ventures at assignment to position in the Company and to inform the suspension of the Supervisory Board.

6.5. Board members are responsible to the Company for the damages it sustained as a result of default or improper performance of their functions, to the full extent for damages caused to the Company, in accordance with the current legislation of the Republic of Uzbekistan and the Charter of the Company.

6.6. Not responsible Board members who did not participate in voting or voted against the decision which entailed the Company losses.

6.7. The company or the Sole shareholder may apply to the court to members of the management Board together or an individual member of the management Board for damages caused to the Company.