

The Regulations¹ on dividend policy of joint-stock company "Uzavtosanoat"

I. General provisions

1.1. The present Regulation on dividend policy of joint-stock company "Uzavtosanoat" (hereinafter "Regulations") developed in accordance with the current legislation of the Republic of Uzbekistan, Charter of the joint stock company "Uzavtosanoat" (hereinafter the "Company"), the 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.

In this Regulation outlines the General issues that should be reflected and disclosed in the Company's dividend policy.

1.2. The Company's dividend policy is aimed at improving the welfare of shareholders and provision of capitalization growth of the Company. The provision has the purpose of informing shareholders and other interested persons on the dividend policy of the Company.

This Regulation is aimed to determine the approach of the Company Supervisory Board as to recommendations on amount of dividends on shares and their payment procedure.

If any questions related to the payment of dividends to shareholders that are not regulated by 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 Company's Charter and these regulations, must be resolved on the basis of the need to ensure the rights and interests of shareholders.

1.3. This dividend policy is designed for a period of 3 years.

1.4. The company considers the growth of capitalization as the main way of satisfaction of property interests of shareholders in the profits of the stock. Dividend policy is to optimize the proportions between the consumed and capitalized parts of the profit received by the Company with the aim of increasing the market value of the shares.

1.5. The Company's dividend policy is based on the following basic principles:

- the principle of transparency, which refers to the definition and disclosure of information about the duties and responsibilities of the parties involved in the implementation of the dividend policy, including the terms and conditions of the decision on payment and size of dividends;

- the principle of timeliness implies the establishment of temporal boundaries in the exercise of dividend payments;

- the principle of reasonableness, which implies that the decision on payment and size of dividends may be adopted only in case of reaching a positive financial result, taking account of development plans and investment programs based on the actual financial situation of the company;

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.

- the principle of equity implies the equal rights of shareholders to receive information about the decisions taken on the payment, the amount and manner of payment of dividends;

- the consistency principle implies strict enforcement of the procedures and principles of the dividend policy;

- the principle of development implies the constant improvement of the dividend policy in the context of improving corporate governance procedures and the revision of provisions in connection with a change in the Company's strategic goals;

- the principle of sustainability implies the Company's commitment to providing a stable level of dividend payments.

1.6. The decision (announcement) on payment of dividends on shares is the right Company. The General meeting of shareholders is entitled to adopt a decision on payment or nonpayment of dividends.

1.7. Payment of the declared dividends is the duty of the Company.

The costs associated with the payment of the dividend (including costs calculation and withholding of taxes, remittance of dividends, postage) may not be imposed on the shareholder receiving dividends, by decision of the authorities. The company is responsible to shareholders for the performance of this obligation in accordance with the current legislation of the Republic of Uzbekistan.

1.8. Dividends are not accrued and not paid on shares:

- not posted;

- acquired and/or repurchased by the Company;

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

1.9. In the cases provided for by part one of article 54 of the Law "On joint-stock companies and protection of shareholder rights" the company shall not be entitled to pay and adopt decisions on payment of dividends on shares.

II. The procedure for determining the amount and accrual of dividends

2.1. The company has the right by results of the first quarter, six months, nine months of the financial year and (or) the financial year to take decisions (declare) about payment of dividends on shares other than shares referred to in paragraph 1.8. hereof.

The decision on payment (Declaration) of dividends following the results of the first quarter, half-year and nine months of the financial year may be adopted within three months after the end of the relevant period.

Dividends are paid from net profits remaining at the disposal of the society, and (or) retained earnings of previous years. Dividends on the preferred stock may be paid through a specially designated funds of the company. However, in order to the timely payment of dividends and the prevention of deterioration in the financial condition of the Company because of removal for the payment of dividends funds from the market, the company has created a reserve for uncollectible receivables due to the company's profit.

2.2. The General meeting of shareholders decides on the payment (announcement) of dividends on shares of each category. The Company's Supervisory Board submits to the General meeting of shareholders the recommendations concerning the amount of dividends on shares and their payment

procedure. The dividends shall not exceed the amount recommended by the Supervisory Board.

2.3. The decision of the General meeting of shareholders on payment (Declaration) of dividends should be defined:

- category (type) of shares, which are paid (declared) dividends;
- the amount of dividend per one share of certain type;
- the period, procedure and periodicity of payment of dividends.

At the same time, the Company may not decide on the accrual (payment) of dividends in cases stipulated in the legislation, and the inability to complete payment of dividends on common shares in the terms.

The net income is reduced by the amount of income received as a result of the capitalisation of profits of subsidiaries and the transfer of long-term assets in the revaluation.

2.4. Recommended meeting of the shareholders the size of dividends on shares is determined by the Supervisory Board, based on the following factors:

- the net profit according to financial reporting, the reliability of which is confirmed by the auditor's report. The net income is reduced by the amount of income received as a result of the capitalization of profits of subsidiaries and the transfer of long-term assets in the revaluation;

- financial and business plans of the Company in subsequent periods;
- structure of working capital of the Company at the end of the relevant period;
- debt at the end of the relevant period.

2.5. The dividend recommended by the Supervisory Board to the General meeting of shareholders of the Company, should not lead to the attraction by the Company of additional debt financing or other costs that are not covered by the approved business and financial plan for the following periods.

III. The procedure and terms of dividend payment

3.1. The company pays dividends in cash or other legal tender or securities of the company. Declared dividends are paid in the national currency of the Republic of Uzbekistan.

3.2. The term of payment of dividends shall be determined by resolution of the General meeting of shareholders of the Company, but may not exceed 60 days from the date of the decision on payment of dividends the General meeting of shareholders.

3.3. If the holders of securities of the Company are unable to receive the accrued dividends within the established by the General meeting of shareholders, the Company continues payment of such (unclaimed) dividends. The period of payment of unclaimed dividends may not exceed three years from the date of expiry of the performance by the Company of the obligation to pay declared dividends.

3.4. In the case of non-payment (receipt) the fault of the companies of the dividend set by the General meeting of shareholders, for unpaid (uncollected) dividends, interest will be charged on the basis of 50% of the refinancing rate set by Central Bank of the Republic of Uzbekistan. The interest rate charged for unpaid (uncollected) dividends shall not exceed 10 percent of the amount unpaid (uncollected) dividends.

3.5. Management of corporate and property relations in cooperation with the office of accounting and methodology of the Company shall arrange and coordinate all

activities for the organization the company will pay a dividend provided for in this Regulation.

3.6. A shareholder may contact the Company with a request to provide information on the procedure of calculation of dividends, procedure of accrual and taxation of dividends, conditions of payment.

3.7. To receive dividends on shares have the right of the person recorded in the register of shareholders of the company formed for the General meeting of shareholders at which the decision on payment to shareholders of dividends.

3.8. In the case of finding stock in equity ownership, the dividend distributed among the shareholders in proportion to their share in the prescribed manner.

3.9. The shareholder is obliged to inform the investment intermediary and/or Central securities Depository, providing services for the registration of rights to its shares, changes of their data. In cases of failure to provide shareholder information on change of the data of the Central securities Depository and/or investment intermediaries, providing services for the registration of rights to its shares, are not responsible for any shareholder in connection with this loss.

3.10. In case that the shareholder incorrectly entered your Bank details or address for transfer of dividends, is either not informed the Company about these details, or untimely reported, the Company is not responsible for any shareholder in connection with this loss. After the return of the Company incorrectly listed the amounts of dividends through the fault of the shareholder for the reasons stated in this paragraph, re-remitted to the shareholder on the specified requisites is carried out at less cost to their return and re-listing.

3.11. The company is a tax agent when paying out income to shareholders in the shares owned by them and makes the payment of accrued dividends less established by the legislation of the Republic of Uzbekistan to taxes on income on securities. Shareholder who should not apply the standard rate of taxation, grants established by the current legislation of the Republic of Uzbekistan confirming the documents of the Company (brought them to the paying agent).

IV. Responsibility for the payment of dividends

4.1. The company is obliged to pay declared dividends on shares of each type.

4.2. The Company's management Board is responsible for the full and timely payment of dividends to shareholders of the Company. Control over the actions of the Executive authority is carried out by the Company Supervisory Board jointly with the audit Commission of the Company.

4.3. In order to ensure the payment of accrued dividends, the Supervisory Board discusses at its meetings the status of the payment of dividends. In case of incomplete or untimely payment of dividends by the fault of the Executive body of the Company the Supervisory Board determines the disciplinary action to the perpetrators and impose appropriate sanctions or initiate their imposition.

4.4. For default or inadequate execution assigned to the Company duties of a tax agent on withholding and transfer of tax amounts on dividends the Company is liable in accordance with the legislation of the Republic of Uzbekistan.

V. The disclosure

5.1. This Regulation, as well as changes and amendments thereto, shall be disclosed by the Company on its corporate website in the Internet within ten days after the signing of the minutes of the meeting of management body, which adopted the corresponding decision.

5.2 In the adoption by the General meeting of shareholders resolve on the payment of dividends, the Company discloses information in the form of messages about essential facts in the terms established by the legislation.

5.3. Upon the performance by the Company of its obligations to pay dividends, the Company discloses the appropriate information in the form of messages about essential facts in the terms established by the legislation.

VI. Final provisions

6.1. The present Regulation, as well as changes and additions to it shall be approved by the General meeting of shareholders.

6.2. Changes and additions to the present regulations shall be made at the suggestion of members of the Supervisory Board, audit Commission, internal audit service, the head of the Executive body of the Company.

6.3. If separate articles of the present Regulations contradict the current legislation of the Republic of Uzbekistan and/or the Company's Charter, these articles lose force, and in part dealt with in these articles questions should be guided by the current legislation of the Republic of Uzbekistan and/or articles of Association until the corresponding modifications to this statement.